10/15/86 C5150-6

0000053C HC
CONGRESSIONAL INFO INC
4520 EAST-WEST HWY/STE 8 19F
WASHINGTON DC 20014 **

National
Home Center News ®

Vol. 12, No. 21 $2 a copy The newspaper for retailers serving homeowners and contractors. Published by Lebhar-Friedman Inc. October 6, 1986

Color Tile accepts General Felt buyout bid

By Phillip M. Perry
NHCN staff editor

FT. WORTH, Texas — Color Tile, the chain of 844 specialty stores in the United States and Canada, formally agreed last month to be acquired by General Felt Industries (GFI), the Saddle Brook, N.J.-based company that owns a controlling interest in Michigan General, the parent company of Diamond Lumber.

The move is contingent upon the ability of GFI to acquire 50.5% of the outstanding shares of Color Tile during a tender offer period that began Sept. 17 and was scheduled to end on Oct. 15.

The agreement on the part of Color Tile was made upon the recommendation of Salomon Brothers, the investment firm which Color Tile had retained to provide an opinion. Barry W. Witt, vp and treasurer of Color Tile, said that Salomon Brothers had recommended that the company accept the GFI bid because it was higher than a competing bid from Merrill Lynch Capital Partners.

(Continued on page 93)

New K mart strategic plan aims for bigger ticket sales

By an NHCN staff editor

TROY, Mich. — K mart last month unveiled a $3 billion, five-year strategic plan whose main components include the promotion of higher-end merchandise sold in larger "power departments" to generate bigger ticket sales, rapid expansion of its specialty retailing operations and the installation in all its stores of a $500 million retail automation system.

The plan—which will be capitalized through internally-generated funds—calls for expanding Builders Square, K mart's warehouse chain, by

(Continued on page 93)

As part of its five-year strategic plan, K mart will expand the size and mix in its stores' Home Care Center departments. NHCN photo

Grace's next step may be closing stores

By Milford Prewitt
NHCN staff editor

NEW YORK — W.R. Grace watchers and one company retail executive believe that the next step in the company's continuing saga to divest its retail holdings will be the closing of stores.

But Chris Tofalli, a Grace spokesman, said the company always evaluates the performance of individual units and would continue to assess the value of store closings based

(Continued on page 94)

Grossman returns as chief exec

By John Caulfield
NHCN staff editor

BRAINTREE, Mass. — Mike Grossman entered his office at Grossman's Inc. headquarters here on the morning of Sept. 19 and officially regained control of the company he left in late 1984, four months before its parent company, Evans Products, went into Chapter 11.

"I've been working for about two hours, and after addressing our 400 employees, all I can say is that the experi-

(Continued on page 94)

"I've got to learn what has taken place in our company and what's been going on in all the markets we operate in."
—Mike Grossman,
chairman, chief executive officer, Grossman's Inc.

USG named Wickes target by Wall Street

By an NHCN staff editor

CHICAGO — USG Corporation here is the latest building products company thought by Wall Street to be a potential takeover target of Wickes Cos., only 15 days after Wickes backed away from its $74-per-share offer to purchase Owens-Corning Fiberglas.

USG is said by analysts to have essentially the same financial and business profile as National Gypsum and O-C,

(Continued on page 93)

Mr. HOW sale price $102.4M; '85 losses topped $13M

By Donald Longo
NHCN staff editor

WASHINGTON — K mart will pay Service Merchandise $102.4 million when it completes the planned purchase of 12 Mr. HOW Warehouses and four Mr. HOW stores under construction, according to a 116-page document filed here on Aug. 27 with the Securities and Exchange Commission.

The 8-K filing details the Aug. 19 asset purchase agreement between the two corporations and gives a first-ever glimpse of Mr. HOW's financial results which previously were consolidated into Service's corporate reports.

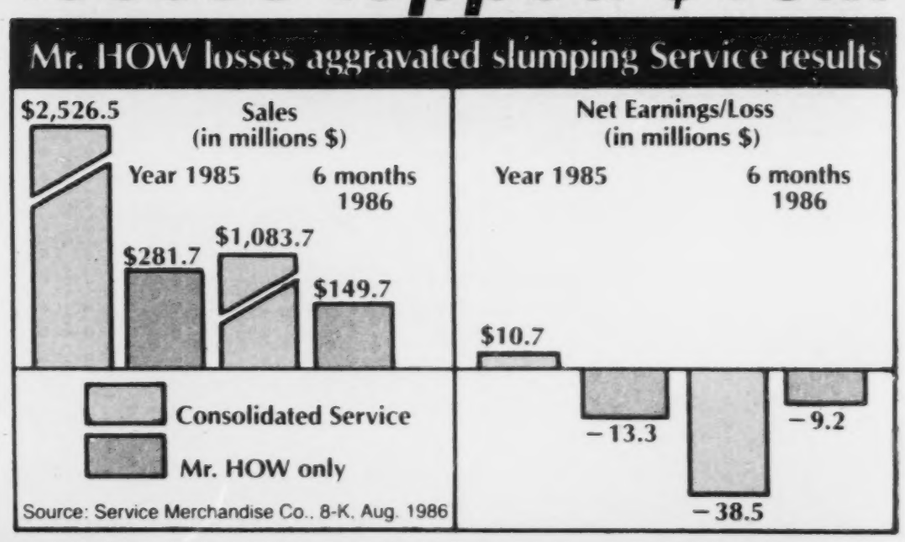
Merrill Lynch Capital Markets handled the agreement negotiations for Service.

Pro forma statements of income show that the warehouse home center chain was heading for a net loss of nearly $20 million on some $300 million in annualized sales before Service began dismantling the subsidiary earlier this year.

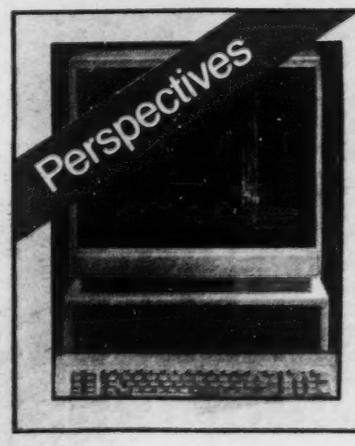
The agreement provides for a series of transactions, with the first closing to include the two Mr. HOW stores in the Columbus, Ohio, market and at least eight stores in other markets. It also stipulates that the initial closing take place within 90 days after the agreement date.

Included in the purchase will be all the stores' inventory, valued by Service at $70.8 million, fixtures, equipment and leasehold improvements. Service valued the

(Continued on page 93)



INSIDE



Second generation computer systems provide a wealth of new benefits to home center retailers *—Page 21*

Retailers report strong sales from RTA furniture as consumers respond to better quality products *—Page 32*

NEWSBREAKS

WORTHINGTON FILES CHAPTER 11: The Mentor, Ohio, hardware wholesaler filed on Sept. 24 for protection under the Federal bankruptcy code from more than 5,000 creditors. It listed assets of $28.1 million against liabilities of $33.3 million.

BUILDERAMA SOLD TO WIENER ENTERPRISES: Don Kole, owner of the six-unit Savannah, Ga.-based chain, sold all his stock to the New Orleans-based chain of specialty shoe stores on Sept. 23, for an undisclosed sum.

INDUSTRY UPDATE

Depot plans new offering

ATLANTA — The Home Depot filed a shelf registration last month for two million shares of new common stock. The company said it would use the proceeds for store expansion, as well as general corporate purposes.

The offering is being made by an underwriting group managed by Merrill Lynch Capital Markets.

In other company news, the chain has begun opening its Atlanta region stores 2½ hours earlier to service contractors and consumers who need earlier shopping hours, following similar experiments in two other markets.

Leon Lemmon, the Atlanta regional manager, said the local stores introduced the 7:30 a.m. starting time in late September.

He said the earlier opening time comes from trial runs in Home Depot's Texas and Florida markets and is expected to be adopted company wide.

Hechinger to move into S.C.

LANDOVER, Md. — Hechinger will move into the South Carolina market for the first time with a 70,000-sq.-ft. unit Greenville that opens on October 11. The store will feature a new presentation in housewares and decorative building products, according to Sally Courtney, senior vp and general merchandise manager. It will also have a 30,000-sq.-ft. outdoor lawn and garden center.

Hechinger will open its third unit in the Columbus, Ohio, market in November, bringing its chainwide total to 58.

Pay 'N Pak cuts 4Q dividend

KENT, Wash. — Pay 'N Pak has cut its fourth quarter dividend to 10 cents from 16 cents. The company blamed a combination of poor results for its second quarter that ended Aug. 31, as well as substantial one-time charges resulting from closing its Denver warehouse and the purchase of three Handyman stores in the Portland, Ore., market.

For its second quarter, the company reported revenues of $108.7 million, compared with revenues of $90.5 million for the same quarter of 1985. Net income for the quarter came to $1.1 million, down from $3.0 million for the second quarter of 1985.

Fagen's inks truss plant deal

VERONA, Pa. — Fagen's, the chain of 12 building materials stores, closed a deal to lease an additional truss manufacturing plant located in Canton, Ohio, last month. Formerly owned by the Crystal Park Lumber Company, the plant is intended to nearly double Fagen's manufacturing activity.

In 1985, Fagen's achieved a manufacturing volume of $3 million. The company now owns two truss manufacturing plants. It also has a window and door plant in Pittsburgh.

Cyclops steel div. intact

PITTSBURGH — Cyclops, the $1.4 billion parent company of Busy Beaver Building Centers, said it would continue to seek ways to maximize shareholder value, after stockholders voted down a management proposal to split off the firm's steel division as an independent entity.

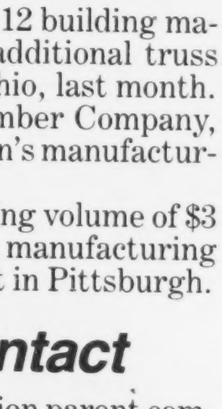
"If the right proposals come along, we will look hard at them," said a Cyclops spokesman.

If the shareholders had approved the split, the remaining publicly held company would have consisted of Busy Beaver Building Centers and Silo, a nationwide chain of specialty appliance stores. (*NHCN*, Aug.25).

Industry stocks take beating

NATIONAL REPORT — Home center stocks generally took a beating along with other securities on the market for the two week period that ended Sept. 19.

Of the stocks tracked by *NHCN*, 49 declined, one remained the same, and only six increased in price.



News that Service Merchandise would sell Mr. HOW helped the stock of that company rise 18.2% to close at $11.38. Takeover events helped the stock of Color Tile increase 3.3% to close at $31.13, while takeover rumors helped USG Corp.'s stock rise by the same degree, to $43.50.

(See fiancial table, page 92)

If you spot home center industry news, call the *NHCN* NEWS HOTLINE:

1-800-NHC-NEWS

(1-800-642-6397)

Available throughout the U.S., except New York State and Alaska: 212-371-9400, 9-5:30 (E.S.T.)

Wickes' Sigoloff intros merger of Ole's/BE in new TV, print ads

By Brad Altman
NHCN staff editor

LOS ANGELES — "Did you ever think the day would come when I'd be telling you to shop at Ole's?"

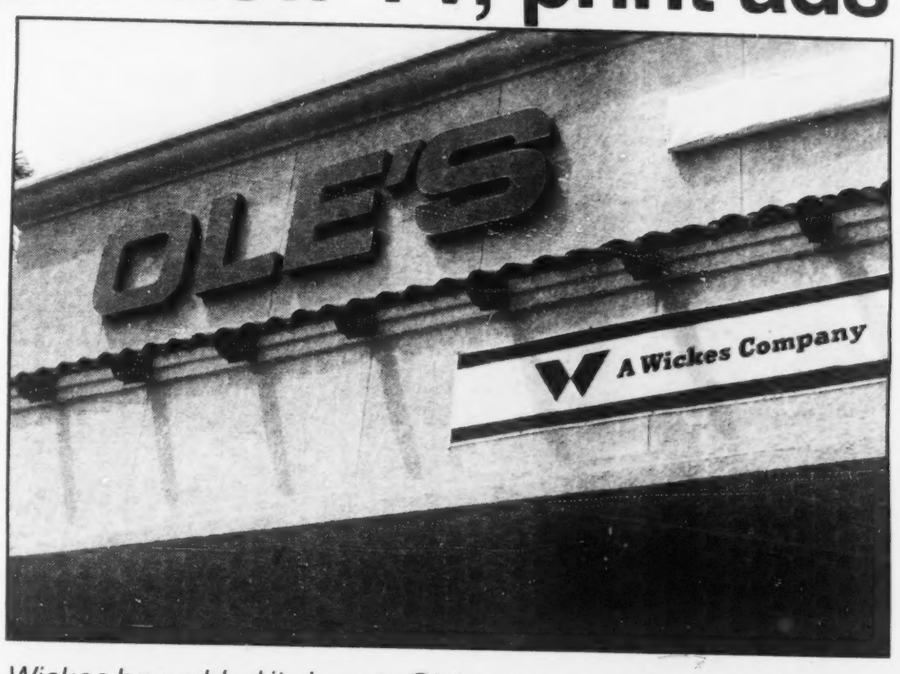
Wickes chief executive Sanford C. Sigoloff asks that question in a new television commercial that debuted in California in September.

Sigoloff is continuing his role as TV pitchman to alert viewers that Wickes—parent of Builders Emporium—now owns Ole's Home Centers as well.

The smiling Sigoloff says that BE and Ole's have joined forces, creating by far the largest home-improvement chain in California, "with over a hundred stores to serve you."

The TV campaign broke Sept. 8. Simultaneously, the front cover of the BE weekly tabloid was redesigned to include the Ole's logo, printed side-by-side. And fabric banners saying, "A Wickes Company," have been placed on Ole's storefronts.

Hype aside, Wickes is facing some major challenges as it absorbs the 108 Western U.S. home centers which it bought this past summer from W.R. Grace. The purchase consisted of Diamond Bar; Calif.-based Grace Home Centers West, which operated 87 units, including more than 60 Ole's in three states; and 21-unit San Jose-based Orchard Supply Hardware, which continues to operate autonomously.



Wickes has added its logo to Ole's stores, announcing the merger of Builders Emporium and Ole's Home Centers. NHCN photo

One of the top priorities has been to blend the BE and Ole's merchandise assortments, a task that one inside source said would be completed in-store by early next year. To get a common assortment in both chains has meant that Builders Emporium/Home Centers West (BE/HCW)

(Continued on page 4)

Westlake to buy Townley warehouse

By Gary S. Ruderman
NHCN staff editor

LENEXA, Kan. — Pending approval Oct. 2 by the City of Lenexa, Kan., Westlake Hardware Supply Inc. will purchase the vacant 120,000-sq.-ft. warehouse owned by Townley Hardware, a subsidiary of The George Worthington Co., Mentor, Ohio.

According to Jerry Williams, Lenexa city attorney, proxies were sent to several hundred bondholders the first week of September seeking approval of the sale. The City of Lenexa issued $3.45 million in industrial revenue bonds in October, 1981, for the building's construction, according to city clerk Sandy Howell. If approved, the Westlake purchase will net bondholders $3.11 million, Howell said.

In a prepared statement, Howard Elsberry, vp of the Moberly, Mo.-based Westlake, operator of 35 Westlake Ace Hardware stores in five states, said the firm had not decided on a use for the facility but had "no current plans" to enter the hardware wholesale business. The warehouse, built in 1982, has been vacant since Townley moved to Denver in 1985. Townley ceased operations Sept. 8.

O-C moves forward with restructuring

By an NHCN staff editor

TOLEDO, Ohio — Officials for Owens-Corning Fiberglas here continue to move forward with their restructuring of the building materials company that was necessitated as a means to block Wickes Cos.' attempt to take O-C over.

As part of this strategy, O-C has raised $1.5 billion in new financing — $100 million in the form of revolving credit—through nine banks led by Citicorp and Credit Suisse. It has sold off Olympic Fastening Systems, a unit of its Aerospace and Strategic Materials group which it bought only a year ago and now is said to be on the block.

Most recently, O-C is undergoing a transformation through consolidation of its businesses, as company officials try to squeeze out cost savings wherever they can be found.

Five of the company's divisions have been rearranged and welded together under a newly formed Construction Products Group that will revolve around insulation and roofing manufacturing. These businesses accounted for 70% of O-C's volume in 1985, and now will be placed under the direction of Max Weber, who previously was vice president of the insulation operating division. He will be president of the new group and become a senior vp of the company and a member of its corporate planning board.

Weber, 56, will report to Guy Mabry, 60, who becomes O-C's executive vp. Previously the company's senior vp in charge of its insulation and construction businesses, Mabry will now oversee marketing communications, personnel and industrial relations.

O-C's international division was untouched in this recent restructuring, and its Industrial Materials group picks up some smaller businesses within the company.

However, two divisions have been folded into other operations, resulting in two key executive layoffs. D. Jack Hensler, who had run O-C's Interior Products division, and Edward Lindsley, a vice president of O-C's Textiles division, lost their jobs. Both men reportedly had more than 30 years experience with O-C. It could not be determined if any other employees in either division were let go.

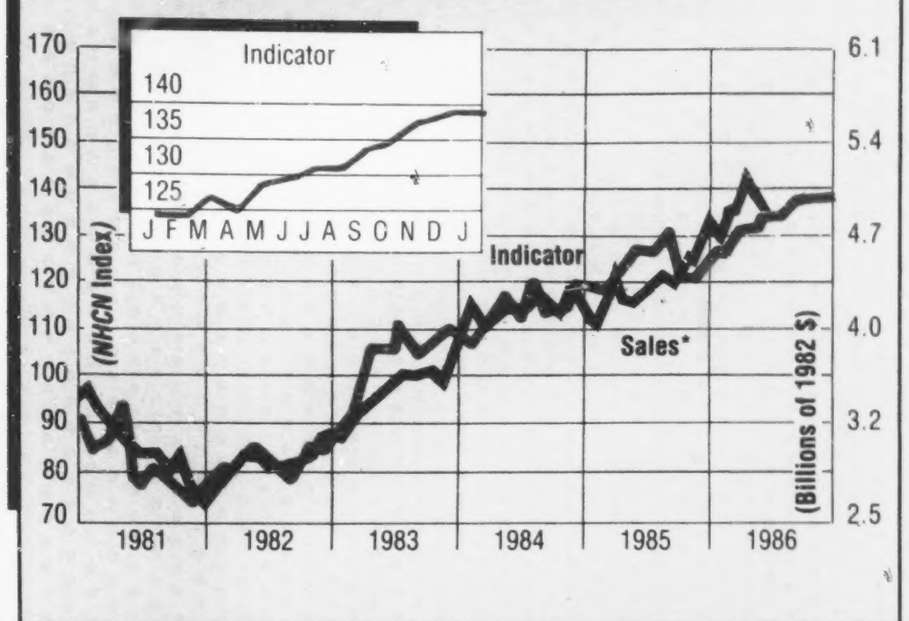
In fact, the company's restructuring plan calls for an early retirement program for salaried employees aged 55 or over with 10 or more years with the firm. About 420 of the company's 29,000 employees

(Continued on page 93)

INDEX

Advertising & Marketing	51-66	Lumber Futures	16
Behind the Numbers	91	Lumber Report	16
Business Watch	12	Merchandising	32-39
Editorial	10	New Products	72-84
Home Center Market Summary	92	Perspectives	21
Housing Watch	14	Profile	42, 43
Independent Strategies	44	Washington View	10
Inside the Aisles	40		

BUSINESS WATCH



*—Monthly retail trade building materials, hardware and supplies in (1982 $).

Indicator—represents an estimate of future building material retail sales (adjusted for inflation) relative to Jan. 1980, based on current levels of housing starts and resales, personal income, interest rates and related data.

The NHCN Leading Indicator is projecting an expansion in building material sales in the fourth quarter. Resales were up in the second quarter and will increase building material demand.

East South Central material sales expected to rise 19%

By Richard E. Mount
Special to NHCN

The outlook for improvement appears bright this year for the states of Tennessee, Alabama, Mississippi and, to some extent, Kentucky, even though retail activity continues to vary significantly across the country.

Building material sales in the East South Central states are expected to increase 19% this year, well above the national average of 12%. For 1987, regional sales will continue to outpace the nation with sales up 14%. Adjusting for inflation, East South Central sales will be up 18% this year and 10% in 1987.

Richard E. Mount

The East South Central states will have the second best sales gains in 1986 of the nine regions and the best in 1987. These states have a heavy concentration of manufacturing, and the local economies are still suffering from the last downturn. All states have unemployment rates above the national average. Strong sales gains now are the result of sub-par gains in the recent past.

Local economies are also undergoing their third stage of development in the post-war years. In the 1950's, many parts of the region changed from agriculture to manufacturing. Now, many are becoming finance and service oriented.

Over the last 12 months, employment in finance and services has risen sharply, while manufacturing and mining declined. As 1987 un-

(Continued on page 89)

Home Center Industry Regional Outlook

		1985			1986				1987			
		QII	QIII	QIV	QI	QII	QIII	QIV	QI	1985	1986	1987
***NHCN* Leading Sales Indicator** (January 1980 = 100)		116.0	121.0	123.4	124.7	127.9	132.1	136.6	138.8	118.5	130.3	140.8
Building Material Retail Sales												
Current	**$ Millions SAAR Total United States**	53,512	53,736	56,976	61,180	62,612	59,101	55,400	60,879	53,841	59,573	65,173
	New England	2,902	3,238	3,477	3,492	3,920	3,682	3,413	3,738	3,038	3,627	3,986
	Middle Atlantic	7,119	7,408	8,306	8,324	8,759	8,203	7,667	8,401	7,269	8,238	8,960
	East North Central	8,575	8,603	9,048	8,096	9,918	9,391	8,847	9,771	8,381	9,063	10,504
	West North Central	3,860	3,841	4,000	3,541	4,364	4,108	3,828	4,195	3,747	3,960	4,489
	South Atlantic	11,139	10,868	11,837	13,871	12,979	12,281	11,545	12,699	11,262	12,669	13,622
	East South Central	2,912	3,056	3,182	3,513	3,663	3,493	3,318	3,695	2,964	3,497	3,988
	West South Central	6,240	5,822	6,041	6,817	6,261	5,851	5,385	5,893	6,090	6,079	6,278
	Mountain	2,606	2,620	2,763	3,256	3,037	2,890	2,720	2,989	2,674	2,976	3,190
	Pacific	8,158	8,281	8,322	10,269	9,711	9,202	8,676	9,497	8,377	9,464	10,155
Constant	**Millions $1982 SAAR Total United States**	50,990	51,144	53,749	57,422	60,432	56,200	51,800	56,360	51,035	56,464	59,410
	New England	2,765	3,082	3,280	3,460	3,783	3,501	3,191	3,461	2,882	3,484	3,634
	Middle Atlantic	6,783	7,051	7,836	7,916	8,454	7,801	7,169	7,778	6,894	7,835	8,168
	East North Central	8,171	8,188	8,536	9,193	9,572	8,930	8,272	9,046	7,950	8,992	9,575
	West North Central	3,678	3,656	3,773	4,104	4,212	3,906	3,579	3,883	3,554	3,950	4,092
	South Atlantic	10,614	10,344	11,167	11,613	12,528	11,678	10,795	11,757	10,682	11,654	12,417
	East South Central	2,775	2,909	3,002	3,266	3,535	3,321	3,103	3,421	2,812	3,306	3,635
	West South Central	5,946	5,541	5,699	6,221	6,043	5,564	5,035	5,456	5,777	5,716	5,723
	Mountain	2,483	2,494	2,607	2,800	2,931	2,748	2,543	2,767	2,536	2,756	2,908
	Pacific	7,774	7,882	7,851	8,849	9,373	8,750	8,112	8,792	7,946	8,771	9,257
Per Cent of U.S. Total												
Current	**Per Cent of U.S. Total ($Current) Total United States**	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
	New England	5.42	6.03	6.10	6.03	6.26	6.23	6.16	6.14	5.65	6.17	6.12
	Middle Atlantic	13.30	13.79	14.58	13.79	13.99	13.88	13.84	13.80	13.51	13.88	13.75
	East North Central	16.02	16.01	15.88	16.01	15.84	15.89	15.97	16.05	15.58	15.93	16.12
	West North Central	7.21	7.15	7.02	7.15	6.97	6.95	6.91	6.89	6.96	7.00	6.89
	South Atlantic	20.82	20.22	20.78	20.22	20.73	20.78	20.84	20.86	20.93	20.64	20.90
	East South Central	5.44	5.69	5.58	5.69	5.85	5.91	5.99	6.07	5.51	5.86	6.12
	West South Central	11.66	10.83	10.60	10.83	10.00	9.90	9.72	9.68	11.32	10.12	9.63
	Mountain	4.87	4.88	4.85	4.88	4.85	4.89	4.91	4.91	4.97	4.88	4.89
	Pacific	15.25	15.41	14.61	15.41	15.51	15.57	15.66	15.60	15.57	15.53	15.58
Industrial Production												
Index (1977 = 100)	Brick	87.5	91.3	88.6	92.7	92.2	94.5	94.1	92.4	88.5	93.4	91.1
	Cement	110.0	106.5	99.8	121.2	112.9	115.2	113.1	110.9	105.7	115.6	109.4
	Gypsum Wallboard	127.7	129.6	132.4	132.8	133.7	132.3	134.5	134.6	126.4	133.3	133.9
	Hardware	102.7	99.2	99.4	99.8	102.4	103.7	104.5	104.5	100.9	102.6	103.8
	Lumber Products	121.8	126.1	125.7	128.0	131.0	129.8	128.7	127.5	122.9	129.4	126.7
	Paint	106.0	98.2	100.2	100.6	104.2	105.9	107.1	108.2	101.9	104.5	109.1
	Plywood	137.1	144.3	142.9	149.6	157.7	148.6	148.2	147.3	138.7	151.0	145.4

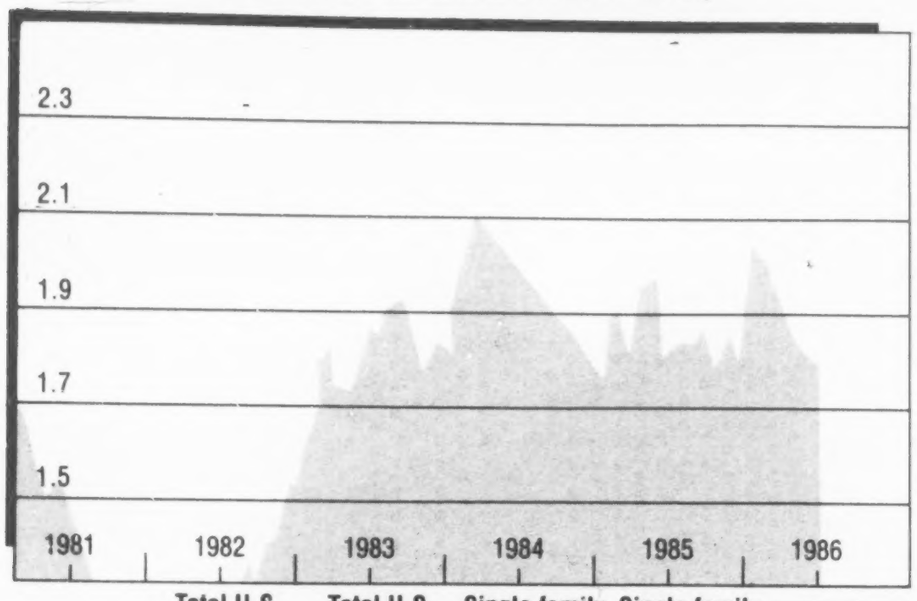
Data: Department of Commerce
Bureau of Labor Statistics
National Association of Realtors
Department of Housing and Urban Development
September 17, 1986

The Home Center Industry Outlook runs in two parts, in alternate issues. The first part includes latest data on the General Economic Outlook; Residential Alterations & Repairs; and Retail Trade Activity. The second part includes latest data on regional building material & supply store sales; and industrial production. The *NHCN* Leading Indicator runs every issue.

SAAR—Seasonally Adjusted Annual Rate
p—projection
NHCN chart
Source: Merrill Lynch Economics for *NHCN*

HOUSING WATCH

National housing starts and permits
(seasonally adjusted annual rates, in millions)

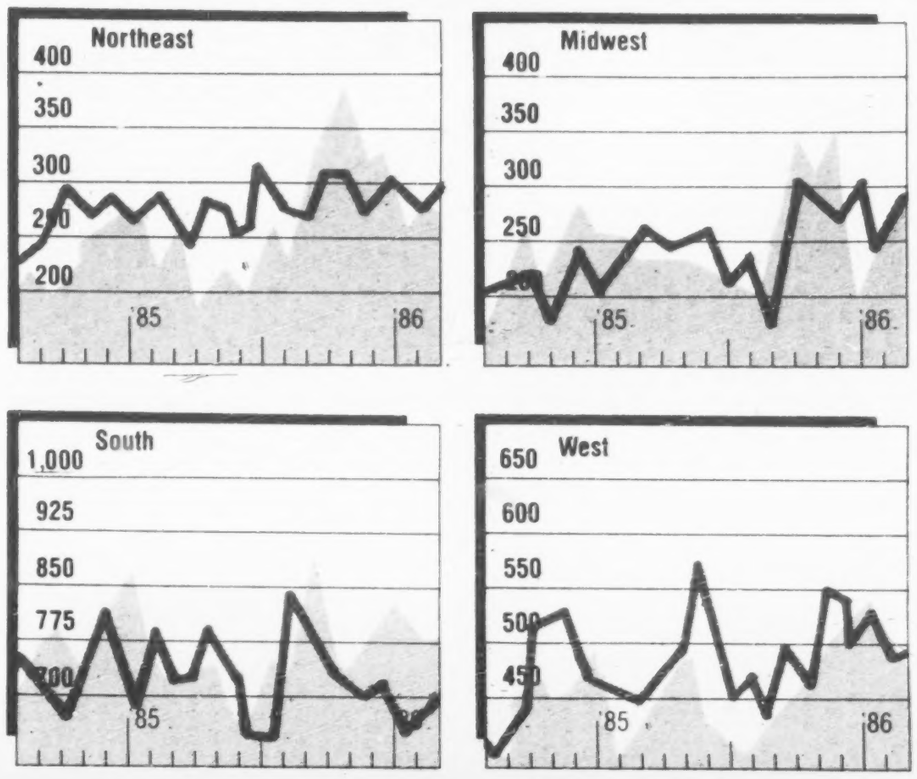


	Total U.S. starts	Total U.S. permits	Single family starts	Single family permits
Aug. '86	1,822	1,654	1,197	1,031
July '86	1,815	1,759	1,162	1,093
Aug. '85	1,737	1,782	1,071	990

Key: Starts, Permits

Source: U.S. Commerce Department

Regional housing starts and permits
(in thousands)



Housing starts climb slightly in August

By an NHCN staff editor

NATIONAL REPORT — After a three-month decline, housing starts rebounded slightly in August, rising four-tenths of 1% to an annualized 1.822 million units, the Commerce Department reported.

While August's starts were 4.9% ahead of last year's pace, the increase marked only the third time this year that activity gained ground.

The last time housing starts rose this year was in April. In April, they rose 4% to more than two million units, seasonally adjusted, the highest level recorded so far this year.

Single-family starts fared better than the total in August, rising 3% to 1.197 million units, 11.8% above the pace set in August, 1985.

Regional Housing
(in thousands)

	July '86 starts	% chg.	July '86 permits	% chg.
Northeast	833	+17.7	271	−13.7
West	485	+ 2.3	455	− 0.4
South	708	+ 0.3	644	− 6.8
Midwest	296	−15.9	284	− 4.4

Source: U.S. Commerce Department

Housing permits, though, lost ground in August. Total permits fell 6% to 1.654 million units, 7.2% below last August. And single-family permits declined 5.7% to 1.031 million units, but were still 4.1% ahead of last August.

August's report from the Commerce Department was bleak for the Midwest, although all regions recorded a loss in at least one category.

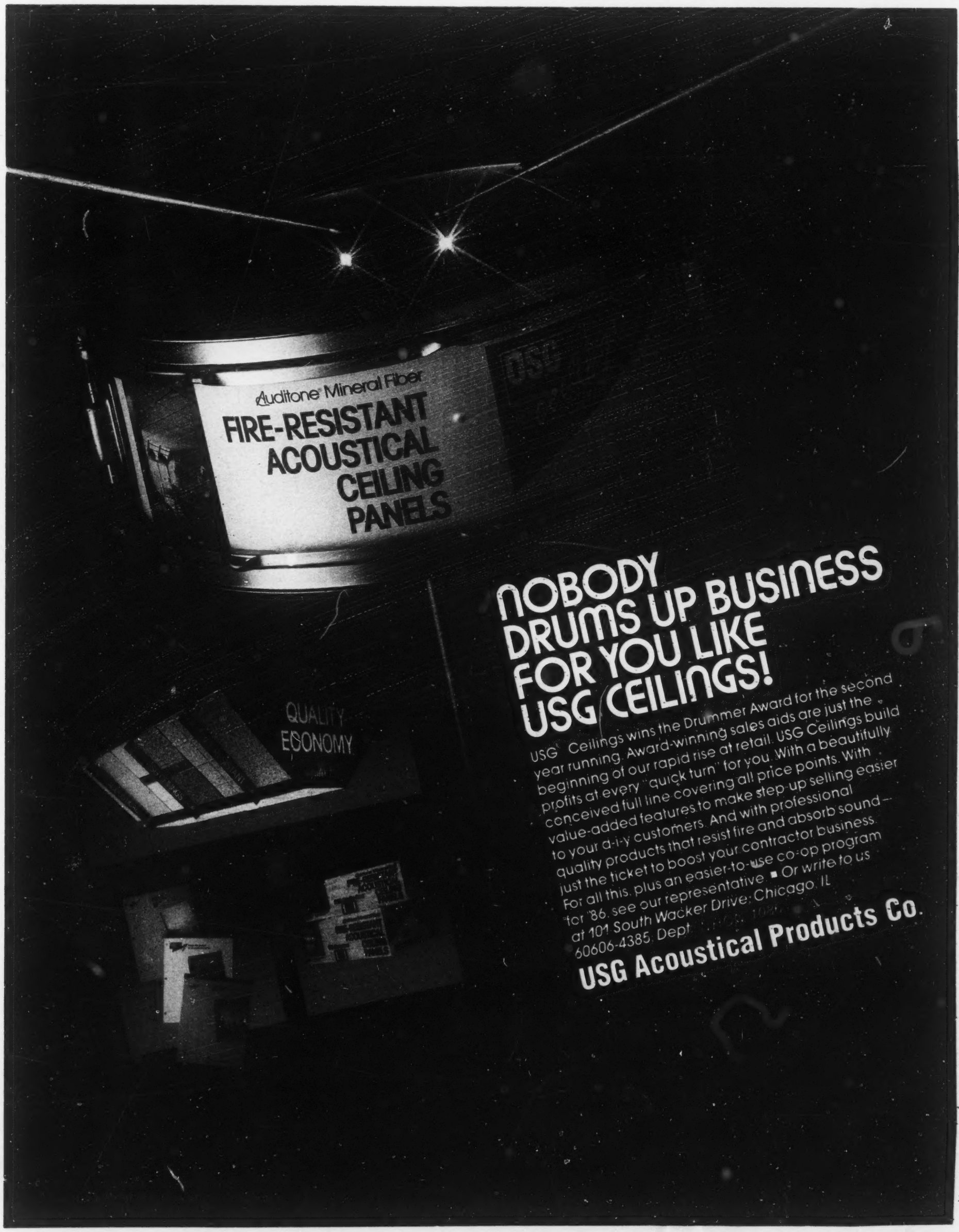
Housing starts in the Midwest fell 15.9% in August, to 296,000 units, seasonally adjusted, losing the ground the market won in July. The pace was still 20.8% above the same time last year. Permits here declined too, falling 4.4% to 271,000 units. Still, compared to August, 1985, they were up 12.7%, to 252,000 units.

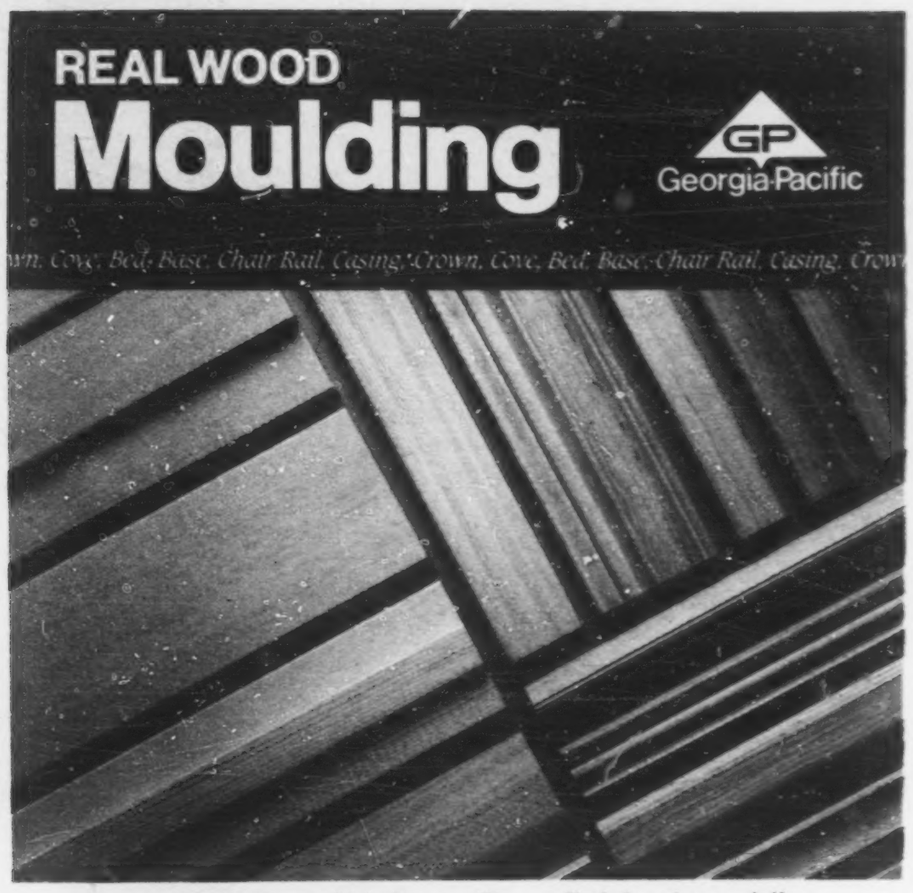
The biggest housing starts increase was recorded in the Northeast. There, starts rose 17.7% to a seasonally-adjusted 354,000 units, a whopping 43.5% jump above last August's pace. Permits, however, fell 13.7% from July, to an 271,000 units, but were still 2.7% ahead of last August.

Both the South and West recorded small starts increases in August but were under their last year's pace. In addition, the two regions recorded losses in their permit activity.

Of the two regions, the news was grim in the South. Housing starts rose just three-tenths of 1% from July, to 708,000 units, seasonally adjusted—5.7% below its August, 1985, pace. Housing permits in the South fell 6.8% in August to 644,000 units, 16.1% below last August.

The West fared only a little better. Starts edged up 2.3% in August to 485,000 units, seasonally adjusted but were 4.7% below last August. And housing permits declined four-tenths of 1% from July to an annualized 455,000 units, 8.6% below August 1985.


Auditone Mineral Fiber
FIRE-RESISTANT
ACOUSTICAL
CEILING
PANELS
QUALITY
ECONOMY
NOBODY
DRUMS UP BUSINESS
FOR YOU LIKE
USG CEILINGS!
USG Ceilings wins the Drummer Award for the second year running. Award-winning sales aids are just the beginning of our rapid rise at retail. USG Ceilings build profits at every "quick turn" for you. With a beautifully conceived full line covering all price points. With value-added features to make step-up selling easier to your a-i-y customers. And with professional quality products that resist fire and absorb sound — just the ticket to boost your contractor business. For all this, plus an easier-to-use co-op program for '86, see our representative. ■ Or write to us at 101 South Wacker Drive, Chicago, IL 60606-4385, Dept
USG Acoustical Products Co.

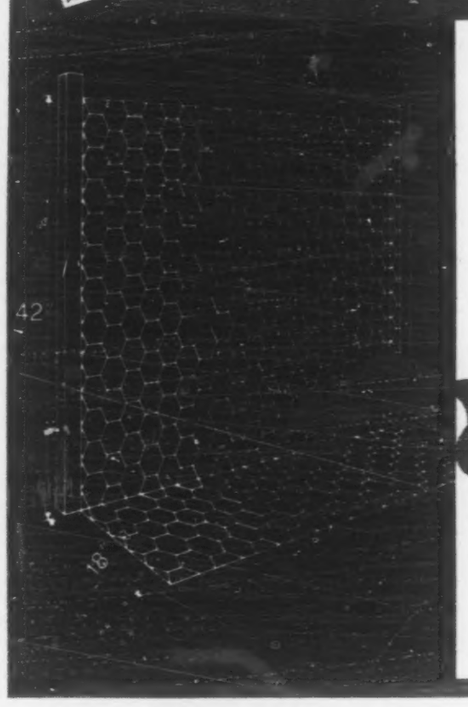


—A complete line of high-quality unfinished moulding, meets WMMPA standards
—All popular pine and fir profiles, plus specialties
—Hard-working POS materials and displays also available

Call your local Georgia-Pacific Distribution Center today for full details.

© 1986 Georgia-Pacific Corporation. 133 Peachtree Street, N.E., Atlanta, Georgia 30303.

AMERICAN MADE **APRON FENCE**



Stops small animals from digging under fence. Mesh confines pets, protects gardens.

Unique two-way, hinged apron buries under sod. Prevents burrowing.

For details & ordering call:
1-800-447-6444
IL—800-322-2632

Another low-cost, easy-to-install D-I-Y project from:

Keystone Steel & Wire

Peoria, IL 61641

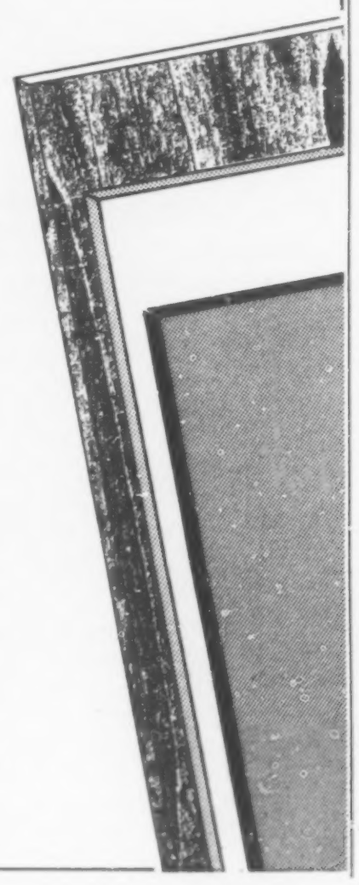
Furman's topshelv™

CUSTOM-FIT PROFITS!

Try a program that's tailored for your specific shelving needs.

Furman's TOPSHELV® can step up your profits with a shelving selection that's modified to best suit your customers.

A variety of colors are available in direct print, vinyl or melamine finish, packaged in bulk, boxed or shrinkwrapped.



For samples or information, call your Furman sales representative —

1-800-THE-WOOD
(843-9663)

FURMAN LUMBER, INC.

TOPSHELV® IS A TRADEMARK OF FURMAN LUMBER, INC.

LUMBER REPORT

Blistering drought devastates Southern pine seedling acreage

By Milford Prewitt
NHCN staff editor

ATLANTA — The drought that devastated Southern crops this summer did not leave Southern forest growers unscathed.

According to the U.S. Forest Service (USFS), about a third of the region's Southern pine seedling acreage will be lost as a result of the blistering heat and aridity that scorched the South this summer.

Paul Forward, a USFS nursery and seedling specialist, estimated that approximately 427,000 seedling acres in Alabama, Louisiana and Georgia may have been killed due to a lack of water. Forward said his estimate could change by 50% up or down after an annual survey is taken later this fall to determine how many survived.

"The usual practice is to plant about 700 seedlings to the acre," he said. "Usually, 70% to 80% will survive into the fall. But based on some of our observations, it looks as if the loss of seedlings is going to be quite serious."

Costly replanting needed

Although it will be decades before the loss of the seedlings will affect supply, forest growers will feel the financial impact of the drought much sooner when they begin reforestation programs.

Industry observers estimated that the replacement costs for the dead seedlings will reach into the tens of millions of dollars.

In Alabama, for example, two-thirds of this year's commercial tree seedlings were killed by the drought, requiring a replacement cost of about $11 million. Similar reforestation estimates have been cited for Georgia where the state's $8.5 billion forest products industry lost an estimated 25% of the seedlings planted last year.

H.L. Neal, a regional forester for the Georgia Department of Forestry, said seedlings literally baked in the earth during the height of the drought. He said some industry reports had speculated that the replacement costs in Georgia will be around $10 million.

Neal added that industry segments that depend on Christmas tree sales are expected to be hit particularly hard. While older trees survived the drought, seedlings and young stands geared for the Christmas tree market were snuffed out and will severely limit supply by the holiday season this year and next.

Susceptible to pest attacks

Tom Hofacker, a USFS pest control administrator, said while the majority of older trees made it through the Southern drought, the absence of water during the summer deprived the stands of their peak growing spurts and thereby reduced their ability to develop sap resistance to thwart disease and insect infestation.

He said evidence abounds where the Southern pine beetle, whose voraciousness has resulted in the virtually unchecked ravaging Southern forests for the past two years, grew more prolific and destructive this summer as water-starved trees weakened and succumbed to the beetle plague.

He said those trees that survived both the beetle attack and the drought are still in danger and are severely "stressed" by the loss of vital tissues and linings that normally carried water through the trunk.

Hofacker said the pine beetles moved into Arkansas for the first time this summer and made farther penetration east into Georgia, Mississippi and South Carolina.

Tax reform no help

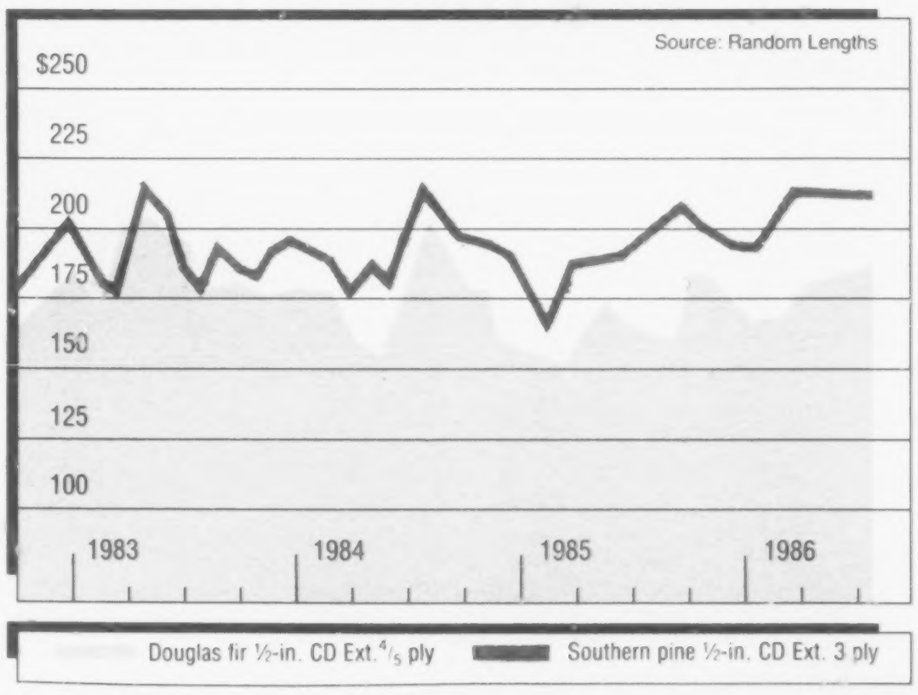
Making matters worse for the Southern forest growers is the specter of the tax reform package which, industry analysts say, offers no incentives or tax breaks for reforesting drought-eaten land.

Unlike a forest fire, from which forest growers are allowed to write off substantial casualty losses, the tax reform package views timberland killed by drought as a simple business loss that does not qualify for any kind of tax break. And changes in the industry's revered capital gains treatment from the long-term harvesting proceeds may blunt enthusiasm for replacing the dead forests.

George Miles, a tax director for the USFS, said although the industry was always required to capitalize the cost of reforesting, new discussions among congressional tax reformers indicate a willingness to entertain drought loss as a casualty expense.

Commodity close-up

Western and Southern Plywood
Average monthly mill prices
(per thousand board feet)



Plywood prices have been remarkably stable during most of the third quarter, with trading prices only $1 to $3 different from those two and half months ago. Douglas fir ½-in. CD Ext. 4/5 ply dropped $1 from its May trading price of $214 per thousand square feet to $213 in August. Southern pine ½-in. CD Ext. 3 ply rose $3 from a May trading price of $182 per thousand square feet to $185 in August.

Futures

LUMBER (CME)—130,000 bd. ft. spruce-pine-fir 2x4's; $ per 1,000 bd. ft.
Two weeks ended 9/11

	High	Low	Close (Settle)	Previous Week	Open* Interest	Contract High	Contract Low
Sept. '86	$202.50	$191.20	$197.90	$197.30	310	$203.50	$145.50
Nov.	$185.00	$170.20	$174.70	$183.90	3,648	$186.90	$146.00
Jan. '87	$179.40	$165.70	$169.00	$177.30	1,061	$182.00	$150.00
March	$177.50	$165.60	$168.20	$176.10	397	$180.50	$153.00
May	$177.50	$166.00	$170.90	$177.00	134	$179.00	$155.50
July	$177.50	$167.00	$171.00	$177.00	29	$177.50	$155.10
Sept.	$176.50	$167.50	$171.00	$177.90	19	$177.90	$165.00

Total Contract Vol. (Through 9/11): 17,267 **Previous Two Weeks: 23,622**
Total Open Interest (As of 9/11): 5,598 **Previous Week: 6,437**
Cash Price: $205.80 **Previous Week: $196..00** **Year Ago: $151.90**

CME—Chicago Mercantile Exchange
*Figures for Thursday, 9/11
Open Interest is the number of outstanding contracts for each delivery month not liquidated by an offsetting transaction or fulfilled by delivery.

Perspectives

cover story

NLBMDA computer study shows prices coming down

By an NHCN staff editor

WASHINGTON — The third edition of the National Lumber and Building Material Dealers Association's *Computer Manual* lists 25 turnkey systems vendors and two software suppliers who had a combined total of more than 1,600 installations in the field as of July of last year.

The study also shows that home centers and lumberyards can take on a computerized inventory system from turnkey vendors—firms that supply all hardware and software for a complete system—for a first-year investment of as little as $10,000. Some of these systems in the $10,000 to $30,000 range accept as many as 10 work stations.

And, many of these same vendors also offer more powerful, high-end systems accepting as many as 150 work stations that cost as much as $100,000 in first-year hardware, software, peripherals, support and service costs.

The report says that the number of vendors identified as providing computer software programs for the building material industry has doubled in the past two years.

Written in nontechnical language, the *Computer Manual* provides useful information for the dealer computerizing for the first time, as well as for those looking to upgrade a system they have outgrown. It provides how-to information on defining a dealer's needs, evaluating and selecting various systems and installing and operating the system.

Further, the manual notes that price competition and major technological breakthroughs have brought computer affordability within reach of any business, regardless of size.

Among the more sophisticated applications are:

- Point-of-sale systems that read bar codes;
- Management planning programs;
- Use of IBM equipment (Two years ago, no software vendor had a software package for the IBM Systems 34 and 36. Now, such applications are readily available.);
- POS programs that interface with existing accounts receivable, payable and general ledger;
- Upgradable hardware without need for software modifications;
- Project estimating and takeoff systems using either keypunch or scanner;
- Special pricing programs;
- Credit checking; and,
- Transmitting purchase orders to major suppliers.

The vendors listed responded to an NLBMDA inquiry about their products and, while not comprehensive, provide a cross-section of systems tailored for the retail lumber and building material industry.

Computer System Vendors
Profiles of 25 vendors to building materials dealers

Vendor	First year costs* (in thousands) Low end**	First year costs* (in thousands) High end	Five year costs* (in thousands) Low end	Five year costs* (in thousands) High End	Work station capacity Low end	Work station capacity High End	No. of installed systems†	Hardware††
ACM Software Troy Mich.	$30-50	$50-100	$45-75	$75-150	22	36	7	IBM System 36
ADD Electronics E. Syracuse, N.Y.	30-50	50-100	75-150	150+	20	128	15	IBM System 36
Aid In Management Greenville, S.C.	10-20	30-50	45-75	75-150	10	40	200+	Data General DG 20 Data General Eclipse
Analytics Brookfield, Wis.	10-20	20-30	Under 15	30-45	1	12	18	Radio Shack Tandy 1200 Wang/Micro VP
Benchmark Computer Systems Bloomington, Minn.	10-20	30-50	15-30	45-75	8	64	45	IBM PC, XT, AT Contel CADO ATS 8 Contel CADA ATS64
Benchmark Computer Systems Seattle, Wash.	20-30	30-50	30-45	75-150	8	64	NA	Contel CADO ATS 8 Contel CADO ATS 64
CADO Systems Corp. Torrance, Cal.	10-20	30-50	15-30	45-75	8	64	100	Contel CADO
Computer Advisors Salt Lake City, Utah	10-20	50-100	15-30	75-150	24	64	50	IBM PC, PC AT Point 4/Star Technologies
Computer Software Consultants Chestnut Hill, Mass.	30-50	50-100	NA	NA	13	Over 100	16	PDP-11/73 DEC/VAX Systems PDP-11/84
Computer Systems Design Elicott City, Md.	10-20	30-50	15-30	45-75	3	Over 100	55	AT&T PC 6300 AT&T 3B2/3B5/3B20
Computer System Dynamics Thornton, Colo.	20-30	50-100	30-45	75-150	7	64	80	Point 4/Mark III Point 4/Mark IX
Dataline Corp. Wilton, Conn.	20-30	50-100	15-30	75-150	5	63	350	IBM PC AT Dataline 2000XP
HSI Computer Services San Antonio, Tex.	20-30	50-100	30-45	75-150	7	7	15	IBM System 36
MCS Inc. Pittsburgh, Pa.	30-50	50-100	45-75	75-150	14	60	14	DEC 11/23 DEC 11/84
Minicomp Systems Grand Rapids, Mich.	10-20	50-100	15-30	75-150	24	64	50	IBM PC AT Point 4/Mark 9
Morrison Services Shelby, N.C.	20-30	50-100	45-75	75-150	4	Over 25	24	Datapoint 1560 IBM System/36
Northern Data Systems Bedford, N.H.	10-20	30-50	15-30	45-75	4	64	100	IBM PC XT Contel CADO
ProfitMaster Computer Systems Austin, Tex.	20-30	Over 100	30-45	Over 150	7	25	Over 125	TI BS373C TI BS891A
The Programmers Taos, N.M.	17	25	Under 30	30-45	5	16	10	AT&T Unix PC Convergent Technology
Progressive Solutions Powell, Ohio	11,500	21,500	Under 15	Under 30	1	16	3	IBM PC XT AT&T 7300 PC
Schneider Software Systems Canton, Ohio	10-20	20-30	15-30	30-45	1	13	4	Wang/PC Wang/2200
SHL Business Systems• Woburn, Mass.	50-100	Over 100	75-150	75-150	16	32	17	Wang VS 15 Wang VS 65
Systems Design South Holland, Ill.	30-50	Over 100	45-75	Over 150	6	150	6	Burroughs B 25 Burroughs mainframe
Systems Software Technology Leola, Pa.	Under 30	Under 30	NA	NA	4	64	3	IBM System 36 PC IBM System 36
Triad Systems Corp. Sunnyvale, Calif.	10-20	50-100	15-30	75-150	6	24	290	Triad 1100 Triad 1400

*Estimated cost of minimum hardware, software, peripherals, support and services
**Companies may also offer intermediate, mid-priced systems
†As of July 1, 1985
††Other hardware may also be offered
•Now McLeod-Bishop
NA Not available

Source: 1985 Computer Manual, National Lumber & Building Material Dealers Association

Perspectives

merchandising

Furniture sales rise as much as 30% at some chains

By Elizabeth Brent
NHCN staff editor

NATIONAL REPORT — Retailers report strong sales from ready-to-assemble (RTA) furniture as consumers respond to a better quality and more fashionable product.

The increased demand for home ,office and storage furniture has helped boost furniture sales to over 30% above last year in some home centers. Furniture for electronic products, which was once exclusively a promotional item, has become a higher-ticket sale.

Home centers now stock both finished and unfinished wall units designed for home computers and video cassette recorders (VCR's). But there seems to be a shift away from unfinished lines among certain dealers.

"The prefinished furniture is more fashionable and desirable" than these items have been in the past, said Dave Smith, furniture buyer at 11-unit Busy Beaver. The category "is now reaching people who wouldn't look at knockdown furniture in the past."

The chain, based in Pittsburgh, dropped wall coverings, drapery hardware and contact paper to make room in its stores for its expanded furniture department. It now carries 22 sku's of finished furniture and three sku's of unfinished chairs. Furniture sales in August increased by 50% compared with the same month last year, while total furniture sales increased by over 30% from 1985 to 1986.

"Furniture is now multifunctional. Storage furniture can now be used anywhere, the spare bedroom or den," said a furniture buyer for another large East Coast chain. His company added bedroom furniture to its more traditional mix this year.

Home centers now account for 12% of all RTA furniture sales, ranking them third behind discount stores and retail electronics outlets, according to *Furniture/Today*, a weekly trade journal. The publication estimated that $500 million of domestic and imported RTA furniture was shipped in the U.S. in 1986. Comparable data from previous years was not available.

This year Forest City, Lowe's, Busy Beaver, Supply One, Rickel Home Center, Anderson Lumber in Utah and Pergament Home Centers were among the chains that have expanded their furniture offerings. The added lines reflect a broader, more quality-oriented merchandise mix and span various categories including both finished and unfinished furniture.

Several dealers attribute the consumer interest in RTA furniture to the successful entry into the U.S. of IKEA, the Swedish-based retailer which took RTA furniture into the realms of fashion and design, producing affordable furniture which looks expensive. In addition, most of the warehouse chains stock a huge assortment of furniture, which has made the consumer more comfortable buying this merchandise in a home improvement environment.

The expansion of the RTA market hasn't gone unnoticed by suppliers, either. Armstrong World Industries, the Langhorne, Pa., supplier which previously was involved through Thomasville Industries, a subsidiary, in the assembled lines, launched its own RTA program in March, which required retooling part of one of its plants. Chase-Pitkin, Rickel and Anderson Lumber are among retailers testing Armstrong's product lines, and Payless Cashways reportedly is planning to test the product as well.

The Armstrong finished furniture fills a niche for the medium-quality product which is a step up from the Foremost furniture lines.

Foremost, based in Archbold, Ohio, remains the top RTA furniture producer in the U.S., according to *Furniture/Today*, with shipments in 1986 expected to reach $180 million. Foremost dominates the market with low price points and traditional styles.

Quality rises, but not price

Although RTA furniture has improved in quality, the price has not necessarily risen, as American suppliers become more competitive and adopt European manufacturing technology. One European feature becoming more common in American-made fare is the metal-to-metal fastener which is stronger and easier to assemble than the metal-to-wood fastener.

"With imports flooding into the country, the American manufacturer has had to respond or lose business," said Paul Siegel, vp-merchandising for the 18-unit Forest City chain, based in Cleveland.

Forest City increased its furniture sku's by an estimated 25%, adding lines of bedroom furniture as well as TV carts and wall units.

The East Coast chain added 15 sku's to its mix this season. It now has 50 sku's of finished and 10 sku's of unfinished furniture, expanding particularly in the home office area with oak file cabinets and higher-quality desks imported from the Orient.

Supply One, the three-unit chain based in Reno, Nev., upgraded the quality of its assortment when it increased its furniture department from 50 sku's to 100 sku's in August in its new Portland, Ore., store. New unfinished furniture items include a Khoury entertainment center in bleached pine, retailing at $129.99, and a prefinished solid oak bookcase from Westwood retailing for $199.99.

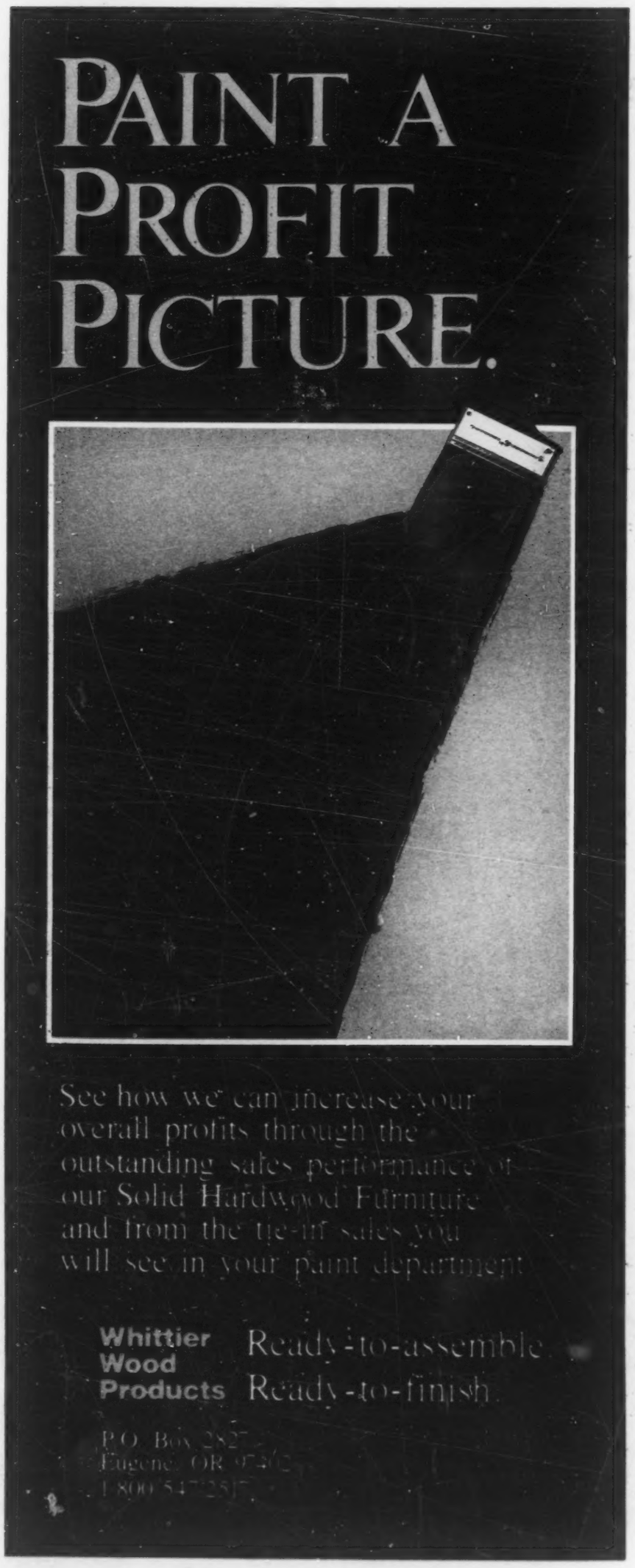
"We are entrepreneurs and take advantage of anything that is hot in U.S. home centers," said Conrad Sun, product manager at Supply One. Sun estimates that total furniture sales will run between $250,000 and $500,000 in 1987 at its stores.

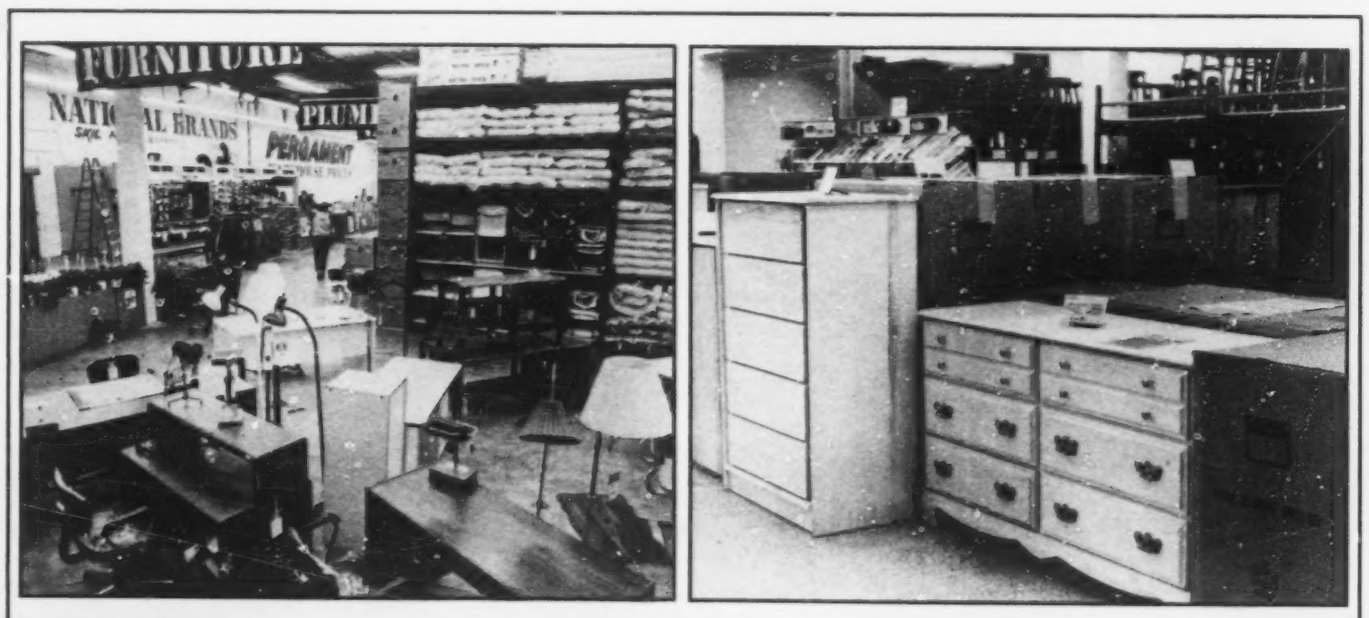
Floor space still a concern

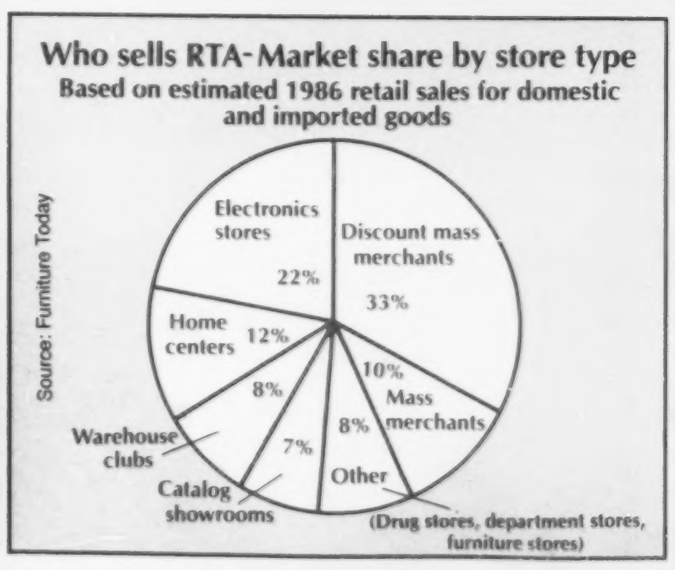
Supply One allotted three 118-ft. runs for furniture at the Portland store. Not all home centers enjoy the luxury of such space, where expansion of the furniture department involves cutting other product lines.

Flexibility is the key to overcoming space problems at Forest City stores, where the

(Continued on page 35)


PAINT A
PROFIT
PICTURE.
See how we can increase your overall profits through the outstanding sales performance of our Solid Hardwood Furniture and from the tie-in sales you will see in your paint department.
Whittier Wood Products
Ready-to-assemble
Ready-to-finish
P.O. Box 282
Eugene, OR 97402
1-800-547-2517





Home centers rank behind only mass merchants and electronics stores for share of the retail furniture market, and are making way for popular ready-to-assemble lines to be sold with unfinished furniture that, until recently, comprised the bulk of their stock. Photos above show furniture sold at Pergament's Riverhead, N.Y., store (top left); Builders Square in Brooklyn Park, Minn. (top right); and Lindsley in West Hollywood, Fla.

NHCN photos

Perspectives

merchandising

Furniture sales increase by up to 30% in home centers

(Continued from page 32)
furniture department expands into seasonal display space from September to December.

Home Centers have to set the boundaries for the product, and not all experiments with furniture have been successful. Chase-Pitkin, the Rochester, N.Y.-based chain, is now clearing out its dining tables, finding that they are better suited to furniture stores than home centers. The chain's August tab advertised a five-piece dining set for $199.99. After the sale, the floor space will be used instead for top sellers like bookcases and TV and computer furniture.

"People continue to shop home centers because the prices are more competitive," said Jerry Edwards vp-merchandising at Lowe's. "We don't stock living room and bedroom furniture which require big dollars. We know our targeted customers."

The top end of the line at Lowe's, based in North Wilkesboro, N.C., is the imported solid oak desk retailing for $399.

Other retailers continue to show renewed interest in the category. Payless Cashways, based in Kansas City, Mo., which has carried furniture in its Furrow and Somerville Lumber units, will test both finished and unfinished categories in its Omaha, Neb., store in October.

Unfinished not dead yet

Although many retailers have cut back on their offerings of unfinished furniture, others find that it still represents good value. The best-selling item in the furniture department at Anderson Lumber is the unfinished Whittier brand wood stool retailing at $39.95. Here, furniture sales have increased with the closing of unfinished specialty stores in the area.

"We are still buying unfinished, as it offers price points which we couldn't get in finished furniture," said the buyer for the East Coast operation. "It gives the customer with creativity a chance to finish it in color or stain."

Furniture accounts for 5.6% of sales

By an NHCN staff editor

NATIONAL REPORT — In 1985, furniture and furnishings departments contributed an average of 5.6% of total annual sales among home centers surveyed by Lebhar-Friedman Research in a recent study conducted for *National Home Center News*.

This was 1.5 percentage points more than in 1984 when the department contributed 4.1% of total sales. The study, conducted last August, was based on interviews with 50 buyers from major home centers.

More than three-fifths of those polled expected their sales volume from furniture and furnishings to rise this year by a mean of 13.7% over 1985.

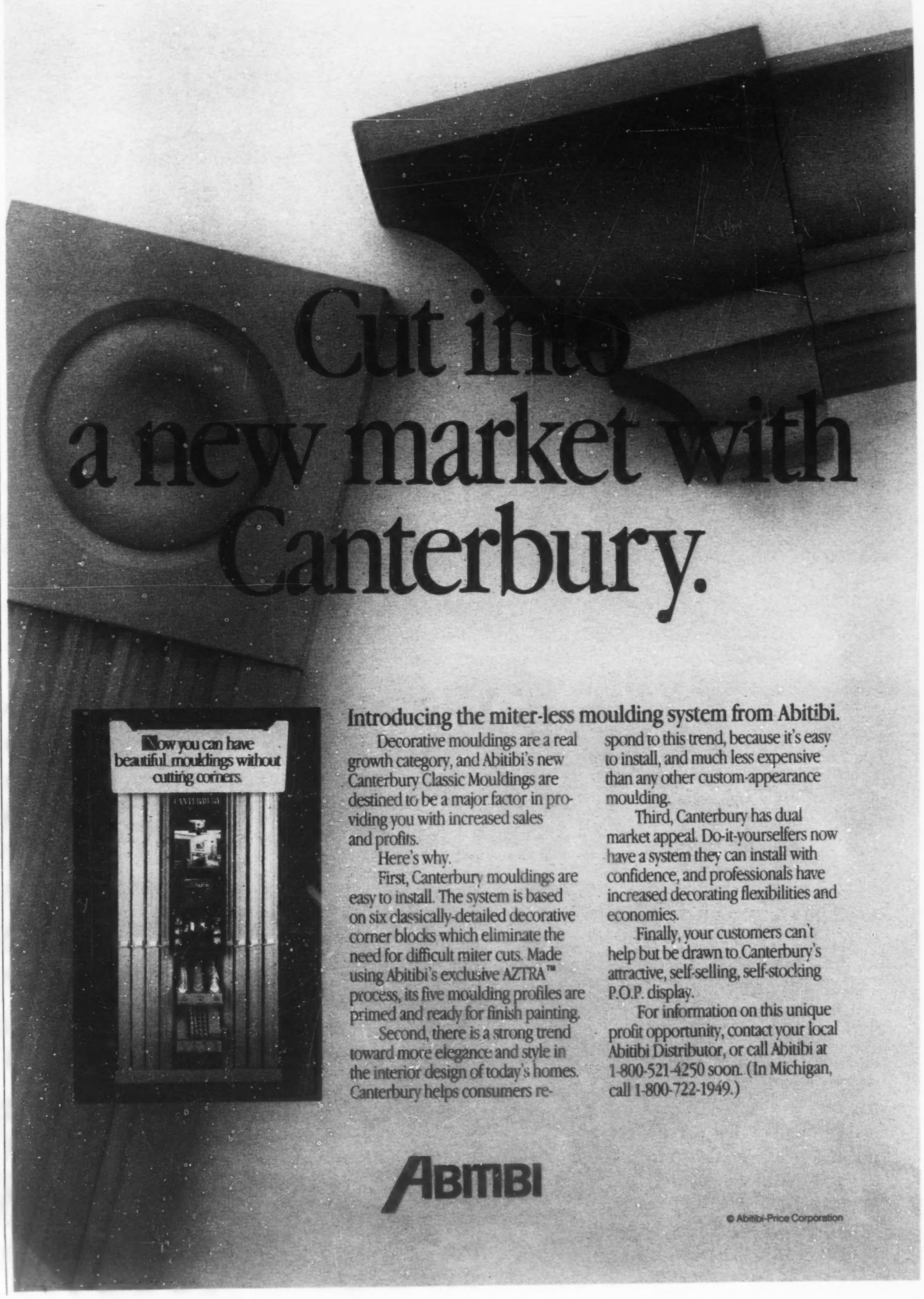
That increase is expected to be due, in part, to line expansion in the category, as over 60% had added one or more sku's in the past 12 months. The most popular additions to the merchandise mix included higher-quality RTA furniture in both finished and unfinished lines, including high-end imports, while electronic furniture and bedroom furniture were also common additions. In the next year, 34% of buyers expect to add one or more items.

However, the *NHCN* survey also found that dealers were none too optimistic about boosting margins in the category. Even the 32 dealers who expected their gross margins to rise this year expect the increase to be a mean of only 2.4%. Overall, the mean change in margins among all the dealers polled was 0.2%.

The furniture and furnishings department occupied an average of 1,600 sq. ft. among the 50 home centers surveyed. Space was expected to increase by a mean of 3.9% in the next year.

At present, four in 10 buyers carry imported merchandise, which accounts for 13.7% of the current merchandise mix, compared with 10.6% a year ago. Of those who currently do not carry imports, only 2% expected to add imported merchandise next year. In 1987, all buyers surveyed expected that 14.6% of their departments would be manufactured outside the U.S.

Imports would increase by only a small percentage in the next 12 months to a mean of 14.6% of the dealers' total furniture and furnishings mix.



Introducing the miter-less moulding system from Abitibi.

Decorative mouldings are a real growth category, and Abitibi's new Canterbury Classic Mouldings are destined to be a major factor in providing you with increased sales and profits.

Here's why.

First, Canterbury mouldings are easy to install. The system is based on six classically-detailed decorative corner blocks which eliminate the need for difficult miter cuts. Made using Abitibi's exclusive AZTRA™ process, its five moulding profiles are primed and ready for finish painting.

Second, there is a strong trend toward more elegance and style in the interior design of today's homes. Canterbury helps consumers respond to this trend, because it's easy to install, and much less expensive than any other custom-appearance moulding.

Third, Canterbury has dual market appeal. Do-it-yourselfers now have a system they can install with confidence, and professionals have increased decorating flexibilities and economies.

Finally, your customers can't help but be drawn to Canterbury's attractive, self-selling, self-stocking P.O.P. display.

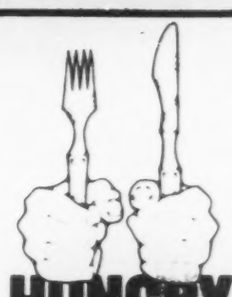
For information on this unique profit opportunity, contact your local Abitibi Distributor, or call Abitibi at 1-800-521-4250 soon. (In Michigan, call 1-800-722-1949.)

ABITIBI

© Abitibi-Price Corporation

NHCN The Home Center Mart

SERVICES



HUNGRY FOR MORE SALES?

Let us design a color circular or direct mail catalog for you!

• DESIGN • PRINTING
• DISTRIBUTION

Take advantage of our advertising experience with the Building, Lumber & DIY Home Center industry. Call today for FREE samples or a consultation.

(516) 694-7630

Merlin Printing, Inc.

51 Heisser Lane
Farmingdale, N.Y. 11735

see us at booth 1217 at DIY Marketing 1986

PMI

Progressive Merchandising, Inc. (P.M.I.) the nation's leading in-store service company is currently servicing over 2,500 home centers, hardware, lumber and mass-merchandiser outlets on a weekly, bi-weekly and monthly basis.

We can offer you the following:

1. Consistent in-store service designed around your needs.
2. Set-ups and resets.
3. Computerized reporting.
4. Communication with our regional/district P.M.I. management on a weekly basis.

For complete details contact:

John Krantz
P.M.I.
24551 Raymond Way #195
El Toro, CA 92630
Phone: (714) 768-6298
Out of State: 800-843-0473

Or:

Greg Kotlarek
P.M.I.
17200 W. Ten Mile Road. Suite #211
Southfield, MI 48075
Phone: (313) 569-3120

ADVERTISING/ MARKETING

Mr Goodbuys' ad director now expanding agency to include new accounts. 18 years experience in all phases of retail home center marketing and advertising. Consulting, media buying, vendor brochures, creative services for print, TV and radio.

LOOKING FOR CONCEPTS TO SET YOUR COMPANY APART FROM YOUR COMPETITORS?

Call (215) 667-5434 anytime or write:

ROBERT SLESS-KITAIN
359 N. Bowman Avenue
Merion, PA 19066

WANTED

Manufacturers, retailers, importers, distributors, sales agents

"INCREASING YOUR SALES IS OUR BUSINESS"

We are a professional and experienced service organization. Writing reorders, merchandise installations, maintaining balanced inventories and processing defectives is our specialty. All services performed at the retail store.

For professional results let us help:

* Increase your sales
* Increase your profits
* Improve inventory turnover

Presently servicing over 500 retail locations in the West and Southwest. Continuously expanding our geographical coverage. For full details write or call:

Retail Service Specialists
5340 East Harbor Street
Commerce, CA 90040
213-722-8859
attn. Dick Speas

FOR SALE

For Sale
Wallcoverings

The No. 1 project homeowners plan each year is wallpapering. Capture this large D-I-Y market by dealing direct with the manufacturer for CLOSEOUTS & PROMOTIONAL MERCHANDISE. Generate traffic and increase overall sales.

Contact: Dave Bowers
Lin-Gor Wallpaper Co.
800-526-7880 or
201-473-2259.

"That's our ad!"

Home Center organizations that are growing advertise consistently in the classified pages of National Home Center News, and they're proud of it.

They've learned that the best way to attract the best people is through classified advertising that keeps the industry informed of their expansion plans.

Your organization should be doing the same. Let's work together to plan your schedule.

Call 212-371-9400 today.

East South Central sales to rise 19%

(Continued from page 12)

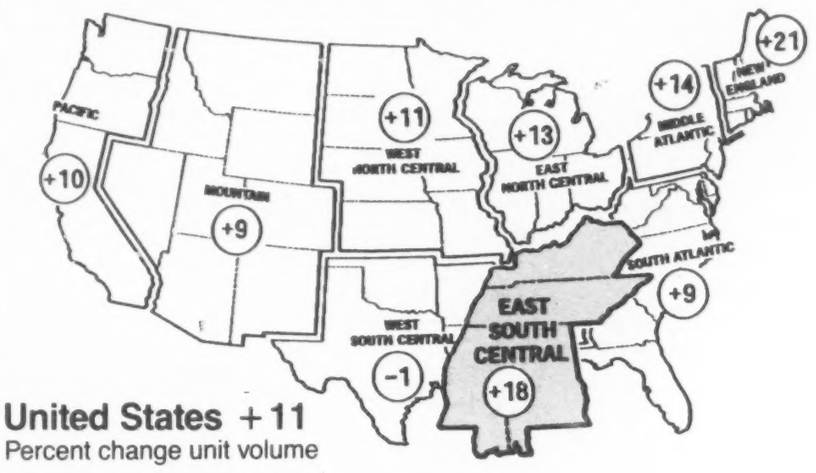
folds, the declining dollar and a rising national economy will increase local manufacturing. Employment in finance and services will remain strong, pushing demand for building materials up.

Second quarter building material and supply store sales, as estimated by Merrill Lynch Economics, are up 27% from a year ago in unit volume. But, they should decline for the rest of the year. It is the strength in the first half that causes the strong annual gain.

Improvements is a major factor in future demand as the sharp increase in housing starts in 1983 and 1984 will bring home buyers into the market for additions and alteration projects.

Building material and supply store sales outlook for 1986

Sales are real dollar increases vs. previous year after inflation



United States +11
Percent change unit volume

Tennessee

Tennessee will be the strongest market in the region this year with building material sales rising 21%. Resales rose 26% in 1985 and will advance 2% to 3% this year and next. Housing starts rose 7% in 1985 and 32% in 1984, making a strong market for additions and alterations spending.

Employment is up 3.2% from a year ago, with strong gains in services and government. The unemployment rate is 7.8%, the region's lowest.

Alabama

Building material sales will increase 19% in 1986. Housing starts and resales were up 17% last year. Employment is up 1% from a year ago wih finance up 5.8%. Manufacturing is down 0.8% due to the concentration in steel production and other types of heavy manufacturing. A major market for southern steel is oil field machinery, a market that has dropped with falling oil prices. The state has an unemployment rate of 10%.

Housing starts rose 94% in 1983, and enhancements to these buildings will begin now. The lower dollar and revival of national growth in 1987 will help this state.

Mississippi

Sales of building materials will rise 15% this year. Resales increased 11% in 1985, but housing starts dropped 19%. Employment is up 1.1% from a year ago with strong gains in finance and services. Construction, however, is down 3.2%. The unemployment rate is 12.6%, highest in the region.

Kentucky

Kentucky is apt to show the slowest increase in building material sales for the region, up 12%. Housing markets have not been strong. Starts were down 4% in 1985 and resales rose only 1%. Employment in manufacturing and mining are both down 1.1%. The state has been hurt by the weakness in coal. On the positive side, total employment is up 1.6%, spurred by a 6.1% rise in finance. The unemployment rate is 8.9%.

Rickel parent earnings rise 16% in 2Q

By an NHCN staff editor

WOODBRIDGE, N.J. — Supermarkets General Corporation, parent of 44-store Rickel Home Centers, recorded second quarter net earnings from continuing operations climbed to $21.1 million from $18.3 million, a 16% increase from the prior year.

For the three months ended Aug. 2, sales were $1.39 billion, an 11% gain from the comparable year-ago period's $1.25 billion. Earnings per share were 55 cents, up from 51 cents a year ago. The company noted that its earnings in the prior year benefited from a 2 cents per share non-operating gain resulting from the sale of surplus real estate.

Sales increased 8% in the Rickel Home Center division, but operating profit increased only modestly compared to the second quarter last year, said the company, due principally to slower than anticipated sales growth. Rickel opened two new stores and completed two major renovations during the quarter. Three new home centers are currently under construction.

For the six months ended Aug. 2, Supermarkets General's net earnings from continuing operations were $34 million, up 9.7% from $31 million, on sales of $2.7 billion, an 11% increase over the prior year's $2.44 billion. Earnings per share were 91 cents vs. 87 cents a year ago.

All per-share results were adjusted to reflect the company's 2-for-1 stock split on Aug. 1, and both years have been restated to exclude the results of the company's department store segment, which was sold during the just-completed quarter.

Net earnings, including the results of the department store segment, were 52 cents and 86 cents per share for the quarter and six-month periods, respectively, compared to 50 cents and 83 cents in the comparable periods last year.

A 4 cents per share loss resulting from the department store disposition is included in this year's results.

Leonard Lieberman, chairman, president and ceo, cited continuing strong results in the Pathmark division; an increase in operating profit from the Purity Supreme division; and a modest improvement in Rickel's contribution.

MANCHESTER
YES WE CAN!

•
PLASTIC SHEET
•
WHEN YOU NEED TO ORDER A LOT–
OR JUST A LITTLE...YES WE CAN!
•
WHEN YOU NEED IT A LITTLE BIGGER–
OR A LITTLE SMALLER...YES WE CAN!
•
WHEN YOU NEED IT NOW–
OR YESTERDAY...YES WE CAN!
•

MANCHESTER PLASTICS CO.

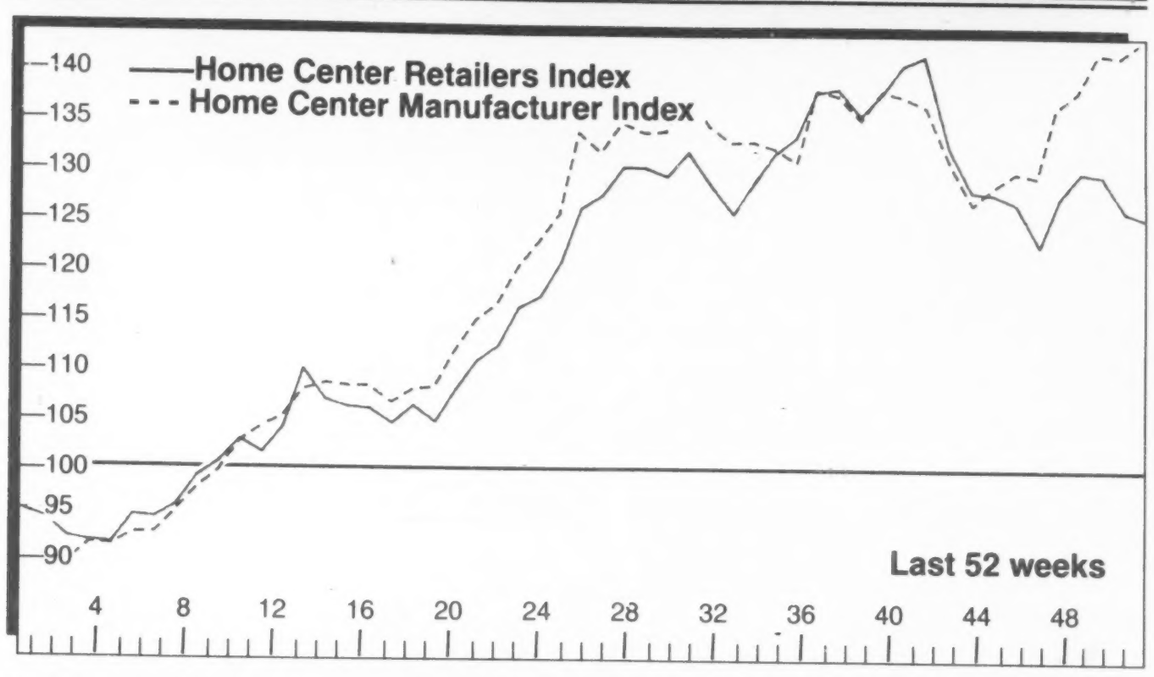
Manufacturers of Plexiglas,® Polycarbonate and Polystyrene Plastic Sheet
Lighting, Decorator and Shower Door Panels

20401 Prairie St., Box 2378 Chatsworth, CA 91311
(818) 998-8211 • Outside CA: (800) 423-5333 • Telex 888030

Plexiglas® is a registered trademark of Rohm & Haas Co.

WE CAN! YES WE CAN! YES WE CAN! YES WE C

FINANCIAL NEWS

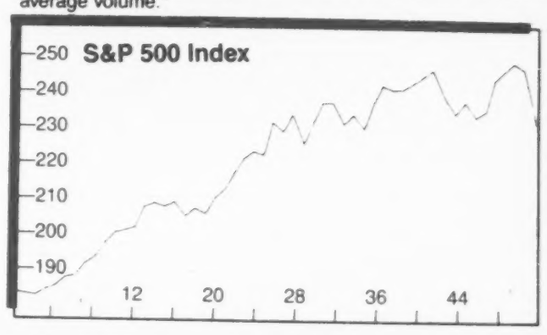


The home center retailer and manufacturer stock market indices are a measurement of the changes in aggregate market value compared to their value on Feb. 1, 1985, which has been set to equal 100 on the index. Aggregate market value is the sum of each stock's price multiplied by its number of shares outstanding, adjusted to eliminate the effects of additions or deletions of companies to the *NHCN* stock list.

Most Active Stocks

Company & Market	Total 2-Week Volume	Volume Trend Change	2-Week Price Change
9-19-86	(100)	%	%
USG Corp N	71,284	472.8	3.3
Forest City Ent A	128	433.3	- 11.0
Hechinger A M	19,630	397.5	- 6.8
Pay N Pak N	9,913	356.7	- 25.9
Thos Inds N	2,858	352.9	- 15.1
Mor-Flo Inds M	323	323.3	- 3.4
Allegheny Int N	15,162	320.6	11.1
DeSoto Inc N	1,182	280.0	- 2.6
Zayre Corp N	67,110	231.8	- 9.6
Color Tile M	23,203	222.7	3.3

The Volume Trend Change is the per cent difference between the latest 2-week average volume and the previous 12-week average volume.*



Price Movement

Company & Market	2-Weeks Ended 9-19-86	2-Week Price Change	Total 2-Week Volume
Winners	$	%	(100)
Svc Merchandise M	11.38	18.2	49,076
Allegheny Int N	20.00	11.1	15,162
USG Corp N	43.50	3.3	71,284
Color Tile M	31.13	3.3	23,203
Stanline Inc M	9.75	2.6	419
Natl Hardgoods M	9.00	1.4	146
Losers	**$**	**%**	**(100)**
Pay N Pak N	10.38	- 25.9	9,913
Masco Corp N	24.38	- 17.4	33,921
Am Woodmark M	11.00	- 15.4	1,052
Thos Inds N	18.25	- 15.1	2,858
Walter, Jim N	45.25	- 14.6	13,746
SW Forest Ind N	15.00	- 14.3	4,785
Armstrng Wrld N	51.50	- 14.0	9,624
Supermkts Gen N	26.88	- 13.3	6,360
Emhart Corp N	32.38	- 11.9	6,966
K mart Cp N	46.00	- 11.8	65,892

National Home Center News

HOME CENTER MARKET SUMMARY

Company and Market	Stock Market: 2-Weeks Ended 9-19-86 $	Price: 2-Weeks Change Amt. $	Price: 2-Weeks Change Pct. %	Price: 2-Week Range High $	Price: 2-Week Range Low $	Price: 52-Week Range High $	Price: 52-Week Range Low $	Volume: 2-Weeks Shares Traded Total (100)	Volume: 2-Weeks Shares Traded % Out %	Volume: 12-Week Avg. Vol. As % Out %	Volume: Volume Trend Change %	Financial Update: P/E Ratio -	Indicated Divd. Rate Amt. $	Indicated Divd. Rate Yld. %	Latest Report: New Report -	Latest Report: Period -	Latest Report: Date Ended -	Latest Quarter: Revenue Amt. $Mil	Latest Quarter: Revenue Chg. %	Latest Quarter: Net Income Amt. $Mil	Latest Quarter: Net Income Chg. %	Latest Quarter: E.P.S. Amt. $	Latest Quarter: E.P.S. Chg. %	Year-to-Date: Revenue Amt. $Mil	Year-to-Date: Revenue Chg. %	Year-to-Date: Net Income Amt. $Mil	Year-to-Date: Net Income Chg. %	Year-to-Date: E.P.S. Amt. $	Year-to-Date: E.P.S. Chg. %
Retailers																													
Color Tile M	31.13	1.00	3.3	31.25	29.88	31.25	17.38	23,203	24.46	7.58	222.7	19.7	.00	.0	.....	fiscal	06-86	107.0	9.4	4.9	22.5	.52	18.2	387.1	11.5	14.9	12.0	1.58	9.0
Erb Lumber M	13.25	- 1.25	- 8.6	15.00	12.75	19.25	5.75	603	1.80	.67	168.7	7.6	.00	.0	.....	6 mos.	06-86	60.5	13.9	2.2	- 8.3	.67	3.1	95.6	20.4	1.9	- 5.0	.57	3.6
Forest City Ent A	29.38	- 3.63	- 11.0	33.00	29.38	33.50	22.00	128	.16	.03	433.3	26.7	.30	1.0	NEW	6 mos.	07-86	43.3	- 19.1	6.4	88.2	.80	86.0	131.3	3.2	6.6	83.3	.83	84.4
Grace W R N	47.25	- 3.00	- 6.0	50.38	45.25	60.75	35.50	12,506	3.01	2.13	41.3	14.5	2.80	5.9	.....	6 mos.	06-86	1410.5	- 26.1	86.4	108.7	2.06	148.2	2661.0	- 23.7	83.3	8.3	1.98	27.7
Handyman A	30.25	- .50	- 1.6	31.00	30.25	36.00	21.75	168	.65	.47	38.3	13.1	.20	.7	.....	6 mos.	06-86	50.2	- 2.3	2.2	- 12.0	.85	- 14.1	112.8	- .6	2.0	- 60.0	.79	- 60.1
Hechinger A M	17.00	- 1.25	- 6.8	18.25	16.50	23.59	12.81	19,630	17.96	3.61	397.5	NA	.16	.9	.....		00-00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Hechinger B M	18.75	- .25	- 1.3	19.25	18.50	23.59	12.81	608	.37	.29	27.6	22.6	.06	.3	.....	6 mos.	07-86	162.1	25.4	8.4	16.7	.27	12.5	299.0	22.6	13.3	20.9	.43	13.2
Home Depot N	18.25	- 1.75	- 8.8	20.00	17.00	21.75	10.50	7,087	2.81	1.69	66.3	29.0	.00	.0	.....	6 mos.	07-86	263.5	51.2	7.2	188.0	.28	180.0	486.1	52.2	12.3	179.5	.48	166.7
INTERCO Inc N	39.75	- 4.13	- 9.4	44.00	38.00	47.63	31.38	8,546	2.99	1.21	147.1	13.2	1.60	4.0	.....	3 mos.	05-86	579.2	- 1.7	14.4	28.6	.46	27.8	579.2	- 1.7	14.4	28.6	.46	27.8
K mart Cp N	46.00	- 6.13	- 11.8	52.13	45.25	57.38	30.63	65,892	5.23	2.41	117.0	20.3	1.48	3.2	.....	6 mos.	07-86	5979.0	9.5	118.4	58.3	.88	51.7	11191.4	7.2	210.0	57.5	1.58	51.9
Lowe's Cos N	24.38	- 2.00	- 7.6	28.50	23.13	41.50	20.75	16,455	4.21	1.88	123.9	15.4	.40	1.6	.....	6 mos.	07-86	657.8	10.4	21.2	1.4	.54	- 6.9	1191.8	13.7	32.6	- .6	.85	- 6.6
Mich General A	2.50	- .25	- 9.1	2.88	2.25	5.25	2.25	2,545	2.24	1.09	105.5	NE	.00	.0	.....	6 mos.	06-86	120.0	.8	(2.6)	NE	(.22)	NE	211.2	2.0	(8.5)	NE	(.75)	NE
Natl Hardgoods M	9.00	.13	1.4	9.00	8.50	9.31	5.00	146	1.08	1.12	- 3.6	20.9	.00a	.0	.....	6 mos.	07-86	10.9	5.8	.4	100.0	.25	25.0	17.4	2.4	.4	33.3	.28	33.3
Natl Lumber M	4.75	- .25	- 5.0	5.25	4.50	7.00	4.00	608	1.08	.43	151.2	NE	.00	.0	.....	*	07-86	NC	NC	NC	NC	NC	NC	72.7	NC	(.7)	NC	(.12)	NC
Pay N Pak N	10.38	- 3.63	- 25.9	13.88	9.50	19.38	9.50	9,913	9.91	2.17	356.7	12.4	.40	3.9	.....	3 mos.	05-86	105.1	27.1	2.3	9.5	.23	9.5	105.1	27.1	2.3	9.5	.23	9.5
Payless Cash N	18.13	- 1.88	- 9.4	20.25	17.63	27.50	13.50	9,287	2.68	1.73	54.9	14.7	.16	.9	NEW	9 mos.	08-86	418.8	10.4	13.4	8.1	.39	8.3	1122.1	11.1	31.4	16.3	.91	13.8
Scotty's Inc N	13.88	- .25	- 1.8	14.88	13.38	18.13	12.38	1,839	1.27	.44	188.6	13.1	.52	3.7	.....	9 mos.	03-86	128.4	5.5	4.1	- 18.0	.28	- 26.3	359.3	7.9	9.7	- 19.2	.67	- 25.6
Sears, Roebuck N	40.00	- 4.88	- 10.9	44.88	39.50	50.38	31.75	102,901	2.81	1.14	146.5	11.4	1.76	4.4	.....	6 mos.	06-86	10750.2	9.3	284.9	7.3	.77	6.9	20140.5	8.3	480.2	- 1.8	1.29	- 2.3
Svc Merchandise M	11.38	1.75	18.2	11.38	9.38	15.25	8.25	49,076	14.73	5.41	172.3	NE	.08	.7	.....	6 mos.	06-86	626.6	14.8	(9.3)	- 100.0	(.27)	- 100.0	1083.7	21.4	(38.5)	NE	(1.15)	NE
Std Brd Pnt N	21.13	- 2.75	- 11.5	24.25	21.00	25.75	18.75	5,560	4.92	2.17	126.7	17.6	.58	2.7	NEW	6 mos.	07-86	89.2	- 6.6	4.8	- 11.1	.42	- 12.5	167.0	- 5.3	8.1	- 20.6	.71	- 22.0
Supermkts Gen N	26.88	- 4.13	- 13.3	31.13	26.13	32.25	20.31	6,360	1.65	.86	91.9	14.9	.28	1.0	.....	6 mos.	07-86	1361.4	5.8	19.9	226.2	.52	2.0	2698.7	7.8	32.2	79.9	.86	2.4
Wickes Cos A	4.50	- .50	- 10.0	5.00	4.00	7.00	3.88	95,450	5.38	2.50	115.2	16.7	.00	.0	.....	6 mos.	07-86	1111.8	32.4	20.8	114.4	.13	160.0	2106.9	36.3	36.5	748.8	.15	NE
Wolohan Lumber M	7.75	- .88	- 10.1	8.38	7.50	10.75	5.25	1,915	3.27	1.85	76.8	11.1	.16	2.1	.....	6 mos.	06-86	55.1	27.0	1.8	38.5	.30	25.0	83.2	25.1	1.7	70.0	.28	55.6
Zayre Corp N	24.63	- 2.63	- 9.6	27.13	23.50	43.88	23.50	67,110	11.38	3.43	231.8	16.3	.32	1.3	.....	6 mos.	07-86	1212.7	35.4	9.0	- 43.8	.15	- 44.4	2257.2	33.9	25.7	- 17.6	.43	- 20.4
Wholesalers																													
Lewis Palmer M	9.00	- .25	- 2.7	9.25	8.63	9.88	6.38	1,245	3.17	1.43	121.7	29.0	.28b	3.1	.....	6 mos.	07-86	46.6	24.3	.4	100.0	.12	100.0	80.4	14.0	.5	150.0	.14	133.3
Stanline Inc M	9.75	.25	2.6	10.50	9.50	12.75	6.13	419	2.59	1.76	47.2	11.1	.28	2.9	NEW	9 mos.	07-86	16.4	18.0	.5	66.7	.26	8.3	43.8	5.5	1.1	22.2	.64	- 8.6
Manufacturers																													
Allegheny Int N	20.00	2.00	11.1	22.88	17.75	28.75	11.38	15,162	14.09	3.35	320.6	NE	.00	.0	.....	6 mos.	06-86	445.7	- 10.5	(1.6)	- 100.0	(.85)	- 100.0	912.9	- 8.9	10.3	- 31.3	(.44)	NE
Am Standard N	38.50	- 1.50	- 3.8	41.00	38.00	46.88	27.50	16,533	4.40	1.54	185.7	7.6	1.60	4.2	.....	6 mos.	06-86	819.4	8.4	80.1	114.7	2.12	123.2	1534.4	7.7	130.3	126.2	3.42	132.7
Am Woodmark M	11.00	- 2.00	- 15.4	12.75	10.00	14.75	10.00	1,052	1.71	NC	NC	11.2	.00	.0	.....	3 mos.	07-86	28.4	16.9	1.8	63.6	.30	36.4	28.4	16.9	1.8	63.6	.30	36.4
Armstrng Wrld N	51.50	- 8.38	- 14.0	60.88	49.75	69.88	33.00	9,624	4.00	1.48	170.3	11.5	1.44	2.8	.....	6 mos.	06-86	487.0	13.3	33.8	4.6	1.40	4.5	917.9	13.8	56.7	12.9	2.35	12.4
Black & Decker N	16.00	- 1.00	- 5.9	17.38	15.38	25.25	14.50	18,301	3.16	2.11	49.8	24.2	.40	2.5	.....	9 mos.	06-86	416.5	12.0	2.8	NE	.03	NE	1353.3	5.9	25.3	- 31.1	.46	- 36.1
Boise Cascade N	56.50	- 4.50	- 7.4	61.50	55.75	61.50	39.63	12,348	4.22	2.10	101.0	17.9	1.90	3.4	.....	6 mos.	06-86	945.1	- .8	31.3	- 1.3	1.07	.0	1861.7	- 2.5	56.3	- 13.4	1.90	- 13.2
Certain-teed N	28.38	- .13	- .4	28.75	26.88	38.50	22.38	3,439	1.81	1.01	79.2	9.8	.90	3.2	.....	6 mos.	06-86	286.1	- 1.7	16.2	- 1.8	.85	1.2	541.1	- .5	26.7	8.1	1.41	12.8
Champ Intl N	25.00	- 2.00	- 7.4	27.13	24.50	29.75	20.25	36,958	3.91	1.90	105.8	17.2	.52	2.1	.....	6 mos.	06-86	1096.4	- 31.4	50.5	16.6	.51	21.4	2218.7	- 31.6	72.5	- 16.8	.71	- 16.5
DeSoto Inc N	37.00	- 1.00	- 2.6	37.75	34.25	41.38	31.50	1,182	2.47	.65	280.0	12.4	1.40	3.8	.....	6 mos.	06-86	131.5	2.8	4.9	- 23.4	1.02	- 23.9	228.3	3.3	7.3	1.4	1.53	1.3
Emhart Corp N	32.38	- 4.38	- 11.9	36.88	31.75	42.63	26.38	6,966	2.29	.72	218.1	12.0	1.40	4.3	.....	6 mos.	06-86	527.9	17.4	19.8	- 25.8	.67	- 30.2	1037.5	19.3	37.8	- 10.2	1.32	- 13.2
Georgia-Pacific N	35.38	- 1.00	- 2.7	37.13	34.00	37.13	20.63	58,974	5.69	1.81	214.4	23.0	.80	2.3	.....	6 mos.	06-86	1929.0	7.5	86.0	28.4	.79	29.5	3533.0	4.7	116.0	.0	1.04	.0
Insilco Corp N	20.38	- 1.00	- 4.7	21.88	19.50	24.75	16.63	2,890	1.47	1.08	36.1	14.8	1.00	4.9	.....	6 mos.	06-86	197.1	- 14.6	11.5	8.5	.57	.0	377.4	- 11.8	18.3	10.2	.91	1.1
La Pacific N	26.50	- 1.25	- 4.5	27.88	25.00	30.13	17.13	10,775	2.91	1.16	150.9	21.5	.80b	3.0	.....	6 mos.	06-86	394.0	14.2	24.5	390.0	.67	415.4	716.6	16.3	25.9	250.0	.71	255.0
Macmillan Bloedel M	25.50	- 1.63	- 6.0	27.63	25.25	28.63	12.47	532	.17	.07	142.9	NA	.50b	NA	.....	6 mos.	06-86	698.7	16.8	49.1	529.5	1.31	3175.0	1311.9	15.4	78.3	652.9	1.99	NE
Manville Cp N	2.38	.00	.0	2.63	2.25	8.88	2.00	8,072	3.36	1.80	86.7	NE	.00	.0	.....	6 mos.	06-86	490.6	- 2.0	25.2	23.5	.79	33.9	946.1	1.3	37.2	14.1	1.03	22.6
Masco Corp N	24.38	- 5.13	- 17.4	29.50	23.50	34.50	15.31	33,921	2.63	.83	216.9	17.3	.36	1.5	.....	6 mos.	06-86	327.0	27.7	51.6	42.1	.40	29.0	635.0	30.9	96.7	34.7	.75	21.0
Mor-Flo Inds M	14.00	- .50	- 3.4	14.50	13.25	19.25	13.25	323	1.27	.30	323.3	15.4	.01	.1	.....	6 mos.	06-86	48.3	- 9.9	.8	- 52.9	.32	- 53.6	100.7	- 5.0	1.5	- 55.9	.60	- 55.2
Newell Co N	25.13	- 2.88	- 10.3	27.63	24.00	36.75	16.25	2,291	2.04	1.49	36.9	11.9	.70	2.8	.....	6 mos.	06-86	95.1	16.4	5.1	6.3	.46	- 13.2	189.6	17.6	9.2	15.0	.90	2.3
Owens Corning N	77.00	- 2.50	- 3.1	80.00	76.50	82.50	32.13	36,718	12.32	12.08	2.0	16.3	1.40	1.8	.....	6 mos.	06-86	925.4	17.2	34.9	72.8	1.16	70.6	1791.5	22.0	57.8	19.9	1.93	18.4
Ply-Gem A	11.13	- 1.25	- 10.1	12.88	11.13	15.50	10.09	2,876	3.91	1.74	124.7	12.8	.12	1.1	.....	6 mos.	06-86	59.1	38.1	2.4	166.7	.30	100.0	109.7	31.4	4.4	120.0	.56	60.0
Pope & Talbot N	19.50	- 1.50	- 7.1	21.25	19.00	24.75	16.88	931	1.55	.69	124.6	20.5	.80	4.1	.....	6 mos.	06-86	76.1	- 10.7	3.6	89.5	.60	100.0	150.2	- 10.8	3.1	- 24.4	.51	- 23.9
Potlatch Cp N	55.50	- 2.75	- 4.7	61.00	51.50	61.00	33.00	4,297	3.29	1.07	207.5	17.0	1.56	2.8	.....	6 mos.	06-86	249.9	.5	19.5	85.7	1.40	129.5	483.2	.0	33.1	50.5	2.35	83.6
Sherwin-Wms N	24.50	- 1.88	- 7.1	27.50	22.75	32.25	17.19	10,369	2.25	1.79	25.7	14.8	.50	2.0	.....	6 mos.	06-86	598.3	- 1.4	30.5	7.0	.65	4.8	1101.0	.2	37.4	9.4	.80	6.7
SW Forest Ind N	15.00	- 2.50	- 14.3	17.50	14.38	17.50	9.88	4,785	4.73	2.92	62.0	NE	.00	.0	.....	6 mos.	06-86	158.5	- 11.4	(4.0)	NE	(.25)	NE	301.0	- 13.8	(12.0)	NE	(1.19)	NE
Stanley Works N	36.75	- 4.38	- 10.6	42.75	36.00	46.25	27.75	4,492	1.61	.82	96.3	12.7	1.14	3.1	.....	6 mos.	06-86	402.6	29.1	20.5	6.8	.73	4.3	726.8	23.4	35.2	6.0	1.26	3.3
Thos Inds N	18.25	- 3.25	- 15.1	22.00	17.50	26.75	16.19	2,858	3.17	.70	352.9	9.9	.68b	3.7	.....	6 mos.	06-86	77.1	- 2.3	4.3	10.3	.47	4.4	147.9	- 3.2	7.5	5.6	.83	5.1
USG Corp N	43.50	1.38	3.3	46.50	37.50	46.50	18.31	71,284	10.54	1.84	472.8	11.6	1.12	2.6	.....	6 mos.	06-86	752.6	16.6	76.2	23.5	1.15	25.0	1374.7	11.4	127.9	22.7	1.96	25.6
Walter, Jim N	45.25	- 7.75	- 14.6	52.63	44.00	54.63	26.09	13,746	4.74	2.35	101.7	17.0	1.40	3.1	.....	9 mos.	05-86	NC	NC	(11.5)	- 100.0	(.16)	- 100.0	626.9	- 62.3	38.5	- 47.5	1.26	- 53.2
Waxman Ind M	13.75	- 1.00	- 6.8	15.25	13.75	17.13	10.00	478	1.52	1.88	- 19.1	15.3	.08	.6	.....	fiscal	06-86	27.7	30.0	1.0	100.0	.32	39.1	97.8	18.3	2.8	27.3	.90	1.1
Weyerhaeuser N	35.00	- 3.25	- 8.5	38.38	34.25	40.25	24.75	37,538	2.88	1.19	142.0	24.3	1.30	3.7	.....	6 mos.	06-86	1497.4	6.9	68.4	14.6	.46	12.2	2804.1	4.8	118.4	20.9	.77	18.5

All data are based on sources believed to be reliable, but its accuracy is not guaranteed. Every effort will be made to correct errors, when discovered, in future issues.

Reporting period
3 mos.—First quarter of fiscal year
6 mos.—First six months of fiscal year
9 mos.—First nine months of fiscal year
Fiscal—Fiscal year
NEW—New report since last issue

Last 52 Weeks

General Field Footnotes
NA—Not available or not applicable
NC—Data required for calculation currently incomplete in our files
NE—Negative earnings invalidate calculations
NM—No meaningful figure
a—Under dividend amount, indicates a stock dividend
b—Indicates cash plus stock dividend when applied to dividend amount column

P/E Ratio—Price/earnings ratio
E.P.S.—Earnings per share

Market
N—New York Stock Exchange
A—American Stock Exchange
O—NASDAQ Over-the-Counter
M—NASDAQ National Market

*Two-week average volume equals the number of shares traded divided by the number of shares outstanding during the latest two-week period. Twelve-week average volume equals the number of shares traded divided by the number of shares outstanding over the previous 12 weeks.

All earnings data and all related calculations using earnings data use primary earnings from total operations and after taxes. Earnings are before extraordinary items, when such items are applicable.

Data and Table Provided by Media General Financial Services Inc., Richmond, Va. 23219